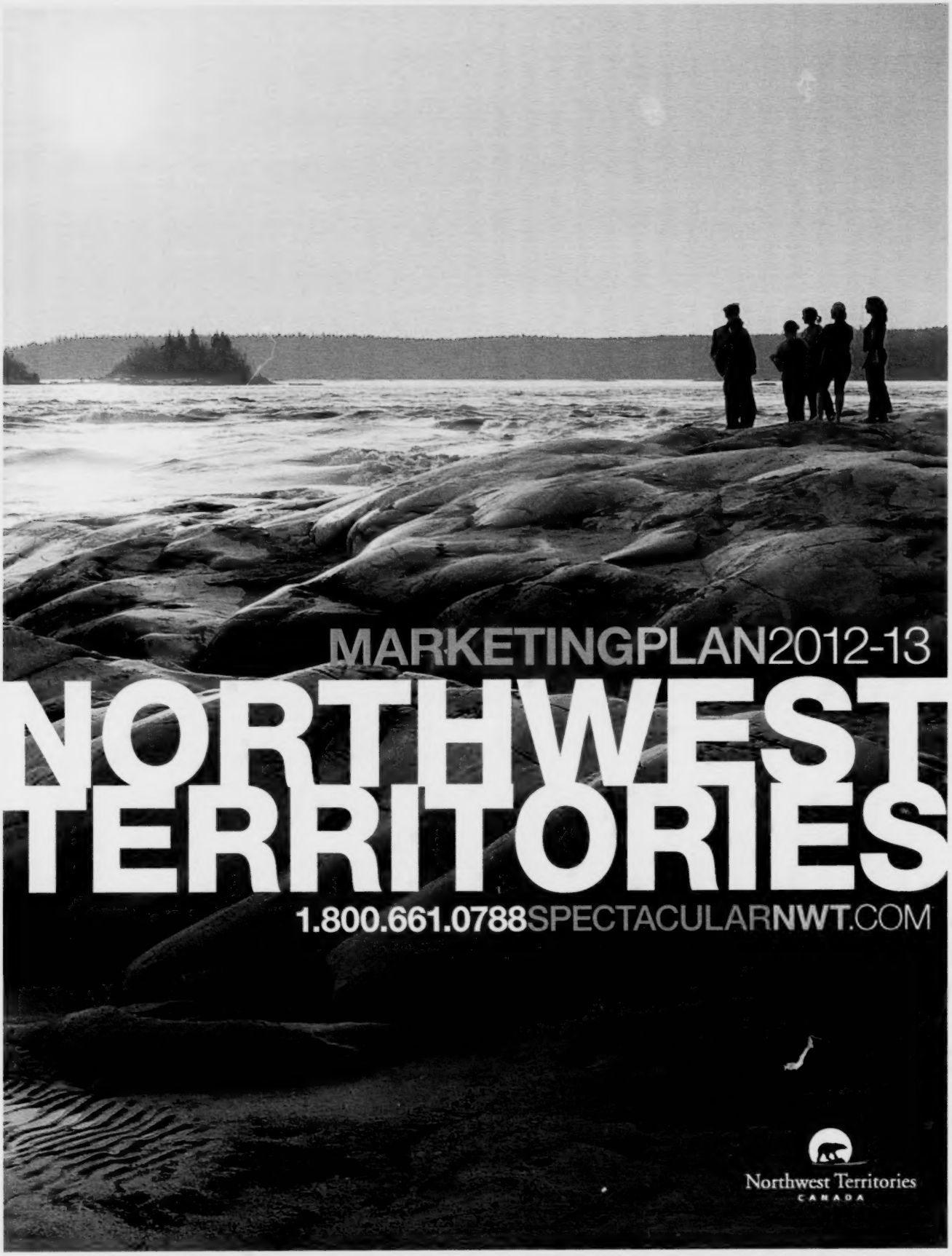
MARKETINGPLAN2012-13
NORTHWEST TERRITORIES
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Northwest Territories
CANADA

Hiking the pingoes near Tuktoyaktuk.

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Organization Overview

Northwest Territories Tourism (NWT Tourism) is a not-for-profit destination marketing organization (DMO) tasked with marketing NWT tourism products. Our mission is to increase the number of visitors and visitor spending in the NWT. NWT Tourism was established in 1996 when it assumed responsibility for tourism marketing from the Government of the Northwest Territories' (GNWT) department of Industry Tourism and Investment (ITI). The current organization is the latest in a line of tourism industry organizations that trace back over 50 years. A voluntary Board of Directors made up of tourism operators and government officials governs NWTT.

The organization is headed by an executive director who oversees a staff of eight, including a marketing director and two marketing coordinators, a communications coordinator, two call centre/fulfillment staff and two administration staff including a finance manager and receptionist.

NWT Tourism uses a variety of innovative marketing strategies to help build awareness of the NWT and to provide the opportunity for our industry operators to market their tourism products and services directly to the consumer. NWT Tourism participates in a wide range of marketing activities including print and web advertising, social media, consumer and trade shows, familiarization tours and a variety of experiential marketing campaigns. Marketing efforts have supported key sectors which include sport hunting, sport fishing, Aurora, outdoor adventure, touring and business travel.

NWT Tourism works closely with each of the regional tourism offices to ensure that regions are well represented in our marketing activities. Past activities such as Familiarization (FAM) Tours and our most recent Globe and Mail advertising campaign have been successful in generating awareness, interest and bookings in all of the regions of the NWT. NWT Tourism is working to enhance our communication with the regions and to build on our marketing successes.

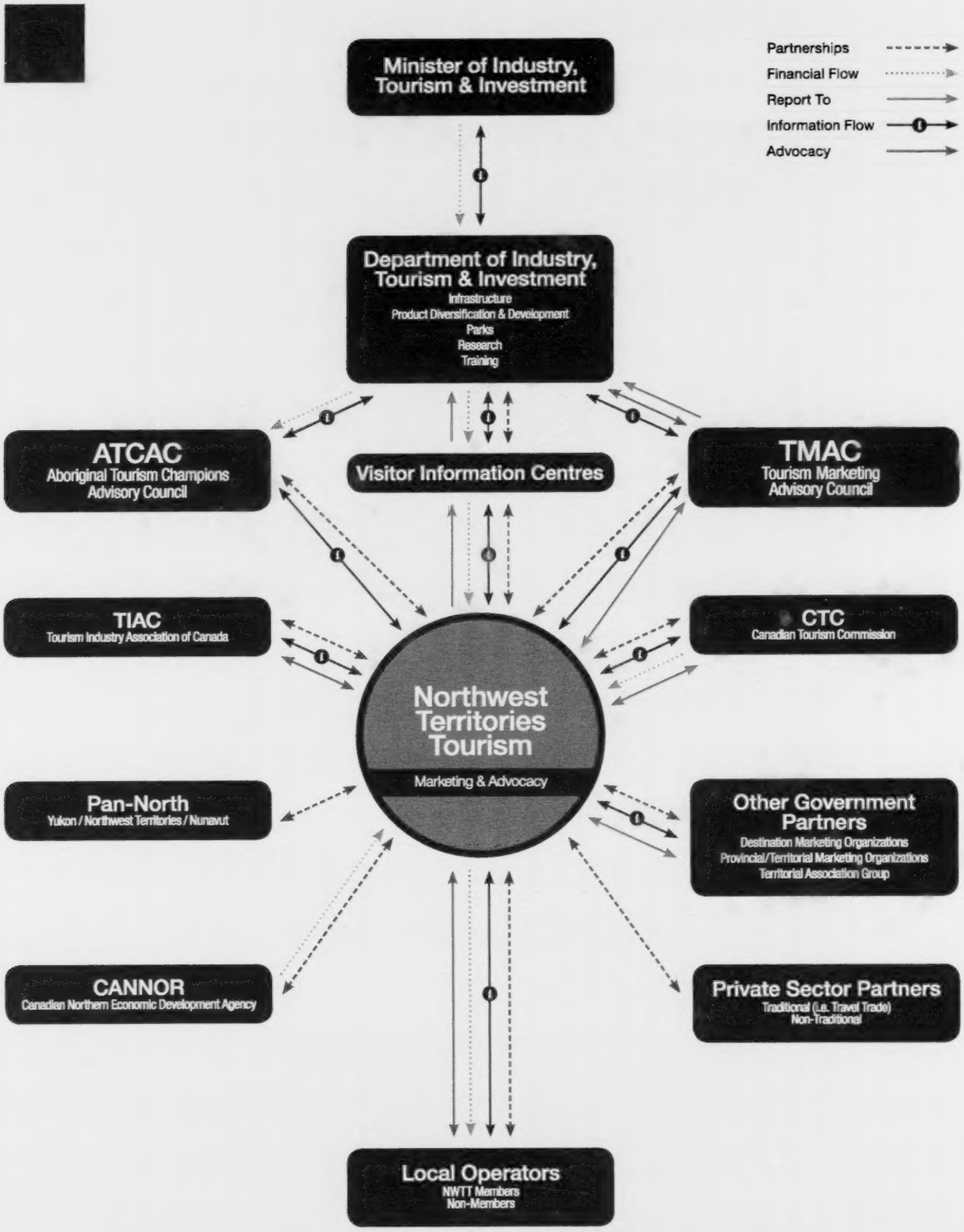
NWT Tourism also recognizes that Visitor Information Centres play a key role in the success of our marketing initiatives. Being the main point of contact for many of the tourists that arrive in the NWT, the local visitor information centres have the capacity and proven ability to drive business directly to our tourism operators.

Organization Overview

As part of the process for developing their annual marketing plan, NWT Tourism meets several times with the Tourism Marketing Advisory Committee (TMAC) to seek general guidance and feedback on the overall strategy of the marketing plan. TMAC is a special committee that was established by the Minister of Industry Tourism and Investment (ITI). The committee is made up of 12 individuals who represent both the private and public sectors. Two co-chairs oversee the group and ensure that all input the committee provides on the marketing plan is assessed and then presents their feedback to NWT Tourism. This process has been in place for several years now and has proven to be highly effective.

This year the Minister of ITI has also established an Aboriginal Tourism Champions Advisory Council. The purpose of this council is to define Aboriginal Tourism, champion Aboriginal Tourism development in the communities and to develop product standards and certification of Aboriginal Tourism products. The committee is made up of two co-chairs and seven members that represent a broad range of industry sectors as well as the regional and Aboriginal cultural diversity of the Northwest Territories. The chair of the Board of Directors for NWT Tourism has been appointed as one of the co-chairs of the committee, with the intention of keeping abreast of the activities of the council and to provide key information/insights to NWT Tourism.

NWT Tourism also works closely with a number of other government agencies and private sector partners as a means of leveraging funding and expanding our marketing reach. In addition to the GNWT, key partners include CanNor, the Canadian Tourism Commission (CTC), the Tourism Industry Association of Canada (TIAC), Canada's North Pan-Territorial Committee and other provincial/territorial destination marketing organizations (DMO). NWT Tourism has also worked closely with various traditional and non-traditional partners on a number of innovative marketing initiatives. The following flow chart outlines the interactions between NWT Tourism and our industry counterparts.


Partnerships
Financial Flow
Report To
Information Flow
Advocacy
Minister of Industry, Tourism & Investment
Department of Industry, Tourism & Investment
Infrastructure
Product Diversification & Development
Parks
Research
Training
ATCAC
Aboriginal Tourism Champions Advisory Council
Visitor Information Centres
TMAC
Tourism Marketing Advisory Council
TIAC
Tourism Industry Association of Canada
CTC
Canadian Tourism Commission
Northwest Territories Tourism
Marketing & Advocacy
Pan-North
Yukon / Northwest Territories / Nunavut
Other Government Partners
Destination Marketing Organizations
Provincial/Territorial Marketing Organizations
Territorial Association Group
CANNOR
Canadian Northern Economic Development Agency
Private Sector Partners
Traditional (i.e. Travel Trade)
Non-Traditional
Local Operators
NWTT Members
Non-Members

Introduction

Aurora Borealis.

NWT Tourism marketing initiatives focus on target geographic and demographic markets where there is the highest potential for return on investment (ROI). In line with the current marketing plan, our main focus will continue to be the North American market (with most of the marketing activities focused on the domestic market). With the recent addition of German and Japan market representatives we have seen some excellent results in both of these markets and are looking to expand our marketing efforts in these key overseas markets.

This past year NWT Tourism made a switch in the marketing plan from a sector based plan to a more integrated marketing approach. The plan was built around 5 key iconic attractions:

i) Aurora Borealis (and winter products)
ii) Lakes and Rivers
iii) Parks and Wilderness
iv) Culture and People
v) Northern Realities (Ice Roads, Float Planes, Midnight Sun, etc).

These icons were chosen as they offer a strong connection to the local tourism products and to the regions of the Northwest Territories and resonated well with our target markets. The new approach allows us to combine smaller sector budgets into one larger amount to target specific demographic and geographic markets that are more likely to visit the Northwest Territories. This new approach was first implemented in February/March of 2011 in a cooperative marketing campaign in the Globe and Mail. The campaign was very successful in building general awareness and generating both enquiries and bookings. NWT Tourism plans to build on the initial success of the integrated campaign and continue to use the key icons as the main focus of all of our advertising campaigns.

Tourism Industry Overview

In Canada

The Canadian tourism industry experienced another period of modest growth. The domestic market continues to gain in prominence with 77 – 80% of Canadian tourism revenues coming from the domestic market. Accommodations, transportation and food and beverage experienced the largest growth in this market.

Foreign tourism spending increased slightly from last year. In 2010, international visitors made 15.9 million overnight trips to Canada. This is a 1.8% increase over 2009. Canada saw gains in total overnight inbound travel in the last two quarters of 2010 of 3.3% and 3.2% respectively, following declines in the first two quarters. Pleasure travel accounted for over half of all overnight arrivals to Canada. This was a 2.8% increase over 2009. Overnight visitors spent $11.9 billion, which was a 3.4% rise. The average spend per trip was $750.

In the Northwest Territories

Tourism continues to play an important role in the economy of the NWT. The industry currently contributes approximately $100 million to the NWT economy. A number of unforeseen occurrences such as a global economic recession, the current state of the NWT sport hunting sector, federal passport and visa requirements, and the earthquake and tsunami in Japan in March of 2011 have had an adverse effect on the number of visitors and visitor spending in the NWT in recent years.

In 2010/11 the total number of visitors to the NWT was 65,136. This was a 4% decrease from the previous year. 40,401 were travelling for leisure and 24,795 were travelling on business. These travellers spent a total of $98.2 million which was a 9% decrease from the previous year. The split between leisure and business travel spending was similar with overall leisure travel revenues totaling $48.7 million and business travel slightly above at $49.5 million.

In line with the other provinces and territories of Canada, domestic travel makes up the largest segment of travellers to the NWT. Approximately 80% percent of the visitors to the NWT are from Canada, with international travellers making up the remainder of the market.

Tourism Industry Overview

JACK HATHERLY/NWT TOURISM

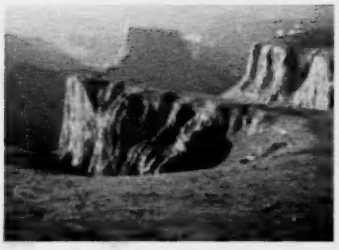
Kayaking the Slave River.

Opportunities and Threats

World events, the economy, natural disasters, pandemics, currency values, visa/passport issues, air access, climate change and competition from other tourism destinations are just some of the many factors that are beyond our control. These can impact NWT tourism negatively or positively. Some of the opportunities and threats we have considered in this plan are:

Opportunities

- Global interest in the NWT via TV programs such as *Ice Road Truckers* and *Ice Pilots*, as well as the recent exposure of the Royal Visits
- Prominent positioning of the North by the federal government and an increased awareness and interest in Canada's North both domestically and internationally
- Leveraging opportunities for effective partnerships with governments, businesses and our local tourism operators
- Development of the new/market-ready products through the Product Diversification Program has increased product offerings to the travel trade and general consumer
- The completion of the Mackenzie River bridge and ongoing improvements to our highway system could increase rubber tire traffic
- Two direct flights by Edelweiss Air to Yellowknife this September could open up more opportunities to package to the German and Swiss markets
- A growing interest in the Deh Cho Travel Connection (DCTC) driving route, particularly with the German market
- New diamond centre (to be completed this winter) has potential to draw many new visitors to the area
- Growing interest in Aurora experiences in the North American market
- Our German and Japan market representatives are providing a greater presence in these markets and are creating new marketing programs with our key trade partners
- NWT Tourism has been working closely with CanaDream and Fraserway RV rental companies to encourage the development of an RV satellite depot in Yellowknife
- The enhancement of the infrastructure of the Yellowknife Airport (runway length, customs support, etc.) would allow for long-range aircraft from international markets



GEORGE FISCHER/NWT TOURISM

Ram Plateau.

Continued

Tourism Industry Overview

- Industrial projects such as a new diamond mine, a major hydro project or a pipeline, which would increase the number of business travellers to the NWT
- Increased size of our target market, as more boomers become empty nesters and have the time and funds to travel
- Vast tracts of pristine wilderness such as Nahanni National Park, the rivers of the Sahtu and the Mackenzie Delta at a time when wilderness is diminishing in other parts of the world

The Canol Trail in the Mackenzie Mountains.

Threats

- Ongoing global recession and strong Canadian dollar could reduce travel by middle income people
- Increased competition in the Aurora sector (Alaska, Finland and Norway are main competition. Whitehorse and Fort McMurray are using aggressive marketing campaigns to gain market share)
- Limited air capacity into the NWT
- The deteriorating condition of the Liard Hwy continues to have a negative impact on the road touring market
- Rising fuel costs (vehicle, aircraft, etc) are increasing cost to travel here
- Increased competition for our type of products from locations that can often offer products at a lower price
- Aging infrastructure, undercapitalized operations
- Increasing insurance rates and increasing potential for litigation for tourism operators
- Extremely high rates for tourism industry workers' safety and compensation from the Workers' Safety and Compensation Commission

Continued

Tourism Industry Overview

TERRY FARRER / NWTT

Dall's Sheep.

Product Supply and Demand Review

Sport Hunting

Supply – There are over two dozen sport hunting operators in the Northwest Territories that offer hunts for bison, polar bear, muskoxen, sheep, caribou, moose, grizzly bears and a range of other animals and game birds.

The supply side of sport hunting has experienced a number of setbacks in recent years resulting in declines in the number of sport hunting visitors and revenues. The listing of the polar bear under the Endangered Species Act in the US has significantly decreased the number of polar bear hunters and the suspension of Barrenground Caribou hunts due to steep population declines in the Bathhurst Herd has eliminated a large segment of our sport hunting activity. The expansion of Nahanni National Park Reserve will also impact some mountain hunting outfitters over the next decade. Some of our hunting operators are looking at adding new types of hunts such as bison and wolf in an attempt to diversify their product.

Demand – Demand for available hunts continues to be strong (sheep, mountain caribou, muskoxen). Demand for caribou and polar bear hunts are now being filled by other jurisdictions, and the challenge will be to regain market share if and when the restrictions are lifted.

Key Competition – With the current hunting ban of Barrenground caribou, the NWT sport hunting sector is losing market share to Nunavut and Alaska. Both jurisdictions have capitalized by advertising their ability to accommodate the needs of hunters who were previously visiting the NWT.

Demographic Profile

- The age group is 40 to 65, and is predominantly male
- Non-resident Canadian and US accounted for 95% of the market
- The largest domestic markets are Alberta, British Columbia and Ontario
- High income groups with the majority of household incomes over $100,000

Continued

Tourism Industry Overview

- Hunters spend on average more than $13,000 per trip, plan 19 months in advance, are influenced by word-of-mouth (56%) and by sports shows (22%)
- For hunters, outfitter reputation is the primary reason for choosing the NWT
- 60% belong to hunting or gun-related associations or organizations

Visitation Analysis

Sport hunting experienced another challenging year with the number of visitors and visitor spending decreasing. The number of sport hunters dropped from 757 in 2009/10 to 436 in 2010/11. Visitor spending dropped from $10.1 million to $4.2 million over the same period.

Sport Fishing

Supply – There are more than 50 fishing lodges and outfitters in the Northwest Territories. Fishing visitors and income has dropped substantially over the past ten years due to strong competition from other destinations, and most recently the global recession. Overall occupancy at NWT lodges is likely well below 50% as some lodges are no longer marketing their product.

TERRY PARKER, NWT

Fishing on Great Slave Lake.

Demand – The demand for overnight fishing packages has declined significantly. Those looking for traditional fishing packages are indicating a preference for shorter two or three day trips. This has resulted in a significant decline in angler numbers. The demand for day trip packages continues to remain high, particularly among business travellers and the visiting friends and relatives market. Fly fishing and women's fishing clubs continue to grow in popularity.

Key Competition – As indicated in the most recent research from ITI, our main competitor destinations are Manitoba, Saskatchewan and Northern Ontario. Manitoba boasts 152 sport fishing lodges. There are 118 in Saskatchewan and well over 200 in Northern Ontario. Many of these lodges are accessible by road and are a short drive away from major populated areas of Canada and the United States.

Continued

Tourism Industry Overview

Demographic Profile

- Canadian anglers are mostly from Alberta, Ontario, British Columbia and Saskatchewan
- American anglers are mostly from Minnesota, Illinois and California
- 90% of anglers are men, with 2/3 repeat visitors
- The majority are between the ages of 41 and 70
- Incomes of anglers are slightly higher than $90,000

Visitation Analysis

Sport fishing continues to decline. The number of sport fishing visitors decreased from 6,403 in 2009/10 to 4,956 in 2010/11. This was a decrease of approximately 25%. Over this same period visitor spending decreased from $12.6 million to $11.8 million, a decrease of approximately 6%.

Aurora

World-famous Aurora.

Supply – There are over 20 operators offering Aurora viewing as part of their product offerings. About seven of these operators offer Aurora as their main product, while the balance add Aurora viewing to a menu of other winter products. Most of the Aurora operators are located in Yellowknife, with several providing additional language services in Japanese, Korean and Chinese. All Aurora facilities and services are operating well below capacity. The recent cancellation of the direct flight between Vancouver and Yellowknife has resulted in a significant reduction of air capacity. A proposed direct flight from Tokyo to Calgary beginning in the winter of 2012 should help alleviate some of the problem.

Demand – Aurora visitors comprise the largest portion of overseas visitors to the territory. The majority of these visitors are from Japan, with a small number from Korea and China. The Aurora sector has experienced significant declines in recent years, but this past year began a rebound. The catastrophic earthquake and tsunami in Japan in March 2010 caused a disruption in travel out of the country, but travel is now beginning

Continued

Tourism Industry Overview

to return to previous levels as the government of Japan is encouraging its citizens to take extended vacations. With destinations in northern Europe offering luxury winter packages at a significantly reduced rate compared to Canadian destinations, it is difficult to foresee any short term increases in the market. However, we are confident that the market will rebound over the long term.

Over the past few years NWT Tourism has tried to increase our market share by promoting to markets in southern Canada and the United States. Marketing efforts are in the early stages, but have generated a lot of interest. Of all the enquiries NWT Tourism fields, Aurora is always the most popular of the sectors. With some of the Aurora operators now offering packages for the domestic market, we are experiencing moderate growth in this market.

Key Competition – In recent years the key competition in the Aurora sector has been Alaska. The direct charter flights between Tokyo and Fairbanks have eroded a significant portion of the NWT market share over the last few years. Although the number of charters to Fairbanks was beginning to reduce, they are expected to increase again this winter. Other direct competitors in the Aurora sector are Finland and Norway. These northern European destinations are offering luxury packages at significantly reduced rates and are significantly less expensive than our current prices. It is expected that this discounting is simply an effort to get market share, and that these discounted prices cannot be maintained over an extended period of time. Lastly, other Canadian destinations such as Whitehorse and Fort McMurray are stepping up their marketing efforts to establish a greater presence in the Aurora market. While these destinations currently lack the Aurora viewing infrastructure compared to what is found in the NWT, we will need to keep an eye on these competitors to ensure that our Aurora product is the leader in the industry and is top of mind with the consumer.

Continued

Tourism Industry Overview

Demographic Profile

- Most Aurora visitors are from Japan
- 2/3 (67%) of visitors are women. Approximately half of the visitors of both genders are under the age of 40. They stay on average 3.6 nights
- One fifth are professionals (mostly male), one fifth are at home or retired, the other large groups are clerical staff (mostly female) and civil servants
- 72% found out about Yellowknife from Japanese tour operator brochures. The second largest source of information is friends and family
- They come to view the Aurora with dogsledding as their second most popular activity

Visitation Analysis

The Aurora market continues to show signs of growth. The number of Aurora visitors has increased from 5,400 in 2009/10 to 6,776 in 2010/11. Visitor spending increased by 31% over this period.

Whitewater paddling.

Outdoor Adventure

Supply – The NWT has dozens of Outdoor Adventure operators. Only about ten offer fully guided paddling or hiking experiences, while most offer assistance to unguided travellers or combine outdoor activities such as paddling, hiking and bird watching with other activities such as fishing and wilderness lodge experiences. Most operations are centered on better-known rivers (Nahanni, Thelon, Mountain, Keele).

Outdoor adventure offerings for day trips and products in or near communities are more limited. Canoeing, kayaking and rafting are well established in the NWT and other activities such as wildlife viewing and hiking can be developed in the NWT. A new Canoeing/Wilderness Adventure Centre opened in Norman Wells this summer.

Demand - The Outdoor Adventure sector is growing on a global scale, especially the demand for high-end adventure and guided trips. As the world continues to adopt the green philosophy, there is an increasing importance in purchasing experiences that are environmentally friendly utilizing minimal impact activities.

Continued

Tourism Industry Overview

Key Competition – The Yukon is our primary competitor for a number of outdoor adventure activities. These include canoeing, kayaking, hiking and wildlife viewing. British Columbia is noted as being a major competitor for hiking, wildlife viewing and soft adventure products. On the international front, New Zealand is often mentioned as a destination of choice among outdoor adventure enthusiasts.

Demographic Profile

- Income in this group varies from the student or new graduate level to the high income professional looking for a wilderness challenge
- On average, they spend an estimated $1,544 per person and stay for approximately 14 nights
- Just over 50% of this segment are Canadian, 21% are American, and 27% are from other countries
- Just over 50% arrive by air and the rest drive
- Over 50% of visitors in this segment are repeat visitors
- 67% went wilderness camping, 59% stayed in commercial lodging
- They spend under 12 months planning their trip and are influenced by word-of-mouth (40%), Internet (29%) and the Explorers' Guide (16%)

Visitation Analysis

The outdoor adventure market experienced a period of modest growth this past year. The number of visitors from this sector to the NWT increased from 1,853 to 1,910 and visitor spending increased from $6.1 million to $6.5 million over the same period.

General Touring

Supply – Because of our physical distance from major markets, the Northwest Territories is a long haul destination. For general touring by road, we offer the Deh Cho Travel Connection - a circular driving route that includes destinations in Northern Alberta/BC and the southern part of the NWT - and the Dempster Highway which is Canada's most northerly public highway. We also have a number of roads that end in communities (Yellowknife, Fort Smith, Fort Resolution, Wrigley) but offer interesting scenery and road access to specific destinations.

Twin Falls Gorge Territorial Park.

Continued

Tourism Industry Overview

Nahanni National Park Reserve.

NWT roads are being improved gradually and our territorial and national parks are seen as some of the best in all of Canada. There are a total of 34 territorial and 4 national parks in the NWT, most of which attract many visitors each year. The direct flight between Frankfurt and Whitehorse and the RV rental stations in the Yukon are a major driver for German visitation to the Inuvik region. The change of the rental car station in Whitehorse and thus increased prices is causing some issues with German and Swiss tour operators. FTI and a few more operators are not willing to continue selling rental cars in Whitehorse under the new conditions. This would have an impact on German visitation numbers to Inuvik.

Competition among airlines has resulted in reduced airfares into the NWT and recent talks between Edelweiss and the GNWT may result in direct air access between Zurich and Yellowknife. This has the potential to bring many more tourists in from the German and Swiss markets, but the lack of an RV satellite depot will be a deterrent to building packages around the direct flight for the German-speaking tour operators.

Demand – For the general touring market, our focus is on those travellers who have the time and money to take long haul vacations (long haul is defined as a trip of seven or more nights). The primary domestic markets for touring include Alberta and British Columbia. The visiting friends and relatives market is also a key component of the touring market. The general touring market has increased over the past decade, although there was a small dip in the past two recessionary years.

The NWT has also seen growth in the number of German-speaking visitors. The Inuvik region has the highest number of German-speaking visitors in the NWT, primarily because of its position on the Dempster Highway. Germans are also showing an interest in the Deh Cho route. The German market has a strong interest in wilderness, parks and Aboriginal based products.

Key Competition – Again the Yukon is our primary competitor for the touring market. The direct air access from Germany, along with the road touring infrastructure (RV rentals, more paved highways and a variety of circular driving routes), and the direct link between BC and Alaska position the Yukon to capitalize on this market. BC and Northern Alberta are also key competitors for the touring sector.

Continued

Tourism Industry Overview

Demographic Profile

- Mainly in the 55 plus age group with average to high incomes
- Many are retired empty nesters, and most travel by road (88%)
- A fairly even division between male and female
- Canadians comprise 72%, US 17%, other 11%
- Those travelling by air spend on average $4,720 per party of 2.58 and those by road spend on average $3,615
- They are generally motivated by nature and culture, concerned about safety and hygiene, value independent travel, want soft outdoor adventure experiences, and 85% are FIT, 15% book packages

Visitation Analysis

The general touring market showed a slight decrease in the overall number of visitors, but the visiting friends and relatives (VFR) market showed a slight increase. Reduced airfares that are a direct result of competition in the airline industry is partially responsible for this increase. The combined visitor spending of the VFR and general tourism market for 2010/11 was $16.8 million, which was a 24% increase over the previous year.

Business Travel

Supply – Business travel makes up a significant part of the total number of NWT visitors. There are two forms of business travel. These include Meetings, Conventions and Incentive Travel (MCIT) and the independent business traveller. There are four communities in the NWT that are capable of hosting small to mid-size conferences. These are Yellowknife, Inuvik, Hay River and Norman Wells. Each of these communities has excellent meeting facilities, guest services and a variety of tourism products. Operators have added more experiential day trips or full day add-ons to adapt to the shorter stays of business travellers. These range from sightseeing tours to boat cruises and Aurora viewing to fishing trips. Other communities such as Fort Smith and Fort Simpson have expressed an interest in the meetings and convention market and are looking at developing the infrastructure (hotels, restaurants, meeting space, etc.) that is needed to attract this market.

Demand – Business travel continues to generate significant revenue for the airline,

Continued

Tourism Industry Overview

accommodation, arts and crafts, restaurant and retail industries. For the past several years, NWT Tourism has invested more in the business sector, and has begun to actively promote the NWT as a meeting and convention destination. There is an increased appetite, particularly by many southern Canadians, to experience the North. This has resulted in increased conference bookings. This return on investment is not usually immediate as the majority of conferences are booked two to three years in advance.

Key Competition – Whitehorse is the main competitor among Northern destinations. Reduced air cost, accommodation packages and a convention centre are all key selling points to the meeting and convention market. The larger centres in southern Canada secure most of the meetings and conventions as they have the infrastructure to support larger meetings and conventions.

Demographic Profile

- 60 % were between the ages of 40 and 59
- 76% were male and 23% were female
- Party size is usually 1 – 2 people and they usually travel by air
- 69% spent 1 to 3 days in the NWT, 9.5% spent 4 – 7 days
- 44% of travellers participated in a tourism activity
- Majority are university educated, in professional, managerial or trades-based occupations
- Average annual income of $70,000+
- Majority of business travellers are from Alberta, Ontario and British Columbia

Visitation Analysis

The number of business travellers to the NWT declined from 26,181 in 2009/10 to 24,795 in 2010/11. Visitor revenues for 2010/11 totaled $49.5 million, which was a 15% decrease from the previous year.

Continued

Tourism Industry Overview

Aboriginal Tourism

Supply – A number of market-ready Aboriginal tourism products exist in the NWT but there is a great potential for expansion. The department of Industry, Tourism and Investment (ITI) is currently working on developing this sector. A newly formed Aboriginal Tourism Champions Advisory Council has been established to help define Aboriginal tourism and to begin to look at ways of establishing the industry. Aboriginal Tourism is a sector that has good potential for growth.

GEORGE HOCHER / NWT TOURISM

Inuvialuit children at Tuk.

Demand – Throughout the world there is an increasing demand for authentic Aboriginal tourism products, primarily from travellers from France, Germany and the United Kingdom. Aboriginal tourism experiences can be highly motivating, but serve more as a value added than as a stimulus for choosing to visit a particular destination. Typically visitors would include a full or half-day activity in their current travel plans.

Key Competition – Of all the destinations in Canada, BC has the most established Aboriginal Tourism sector. They offer a vast array of aboriginal product, and have a great deal of experience working in the national and international markets. Alberta and Saskatchewan also have a number of iconic attractions that are well known in the marketplace.

Demographic Profile

- Age range 50 +, interested in soft adventure (hiking, walks, nature observation, indoor activities)
- Below 50, interested in adventure activities (dogsledding, snowshoeing)
- More likely to be married without children
- Higher level of education

Diamond Tourism

Supply – The NWT is the only place in the world, outside of Africa and Russia, where visitors can purchase diamonds that are mined, cut and polished locally. In 2007, NWT mines produced over 16.5 million carats, with an estimated value of over $1.4 billion, approximately 14% of the world's production. Government Certified Canadian Diamonds™ have a GNWT certificate of origin and authenticity. These diamonds can be purchased in jewellery stores in many of our NWT communities and are often used as prizes for a variety of conferences and promotional campaigns.

Continued

Tourism Industry Overview

Currently visitors can purchase Canadian Diamonds, travel the ice road towards the diamond mines with an outfitter and visit the diamond displays at the Northern Frontier Visitors Centre, Rio Tinto DDMI office and the Prince of Wales Northern Heritage Centre. In addition, there is the Deh Cho Travel Connection (DCTC) Diamonds in the Rough Passport Program. It was recently announced that a Diamond Tourism Centre is expected to be operational by the end of 2012. This will undoubtedly provide greater opportunities for tourists to experience this product. Visitors would receive the total diamond experience: learn about the 5 Cs (certification, carat, clarity, colour and cut), observe the cutting and polishing process, and have an opportunity to purchase the product.

Diamond Tourism activities, including learning about and purchasing Canadian Diamonds, can easily be related to and included in all key sector promotions, especially business travel, sport hunting, fishing and touring. As this product has the potential to increase visitor spending, we must promote this program whenever possible.

Demand – Diamond tourism continues to have the potential to increase visitor spending, and is something that can be and is promoted in conjunction with other products such as fishing, hunting, touring and Aurora.

Key Competition – South Africa has a well established diamond tourism product and includes interactive displays and special effects (i.e. a simulated underground mine explosion). Belgium also has an exceptional diamond tourism product as guests can visit the cutting and polishing factories and purchase diamonds at a reduced cost.

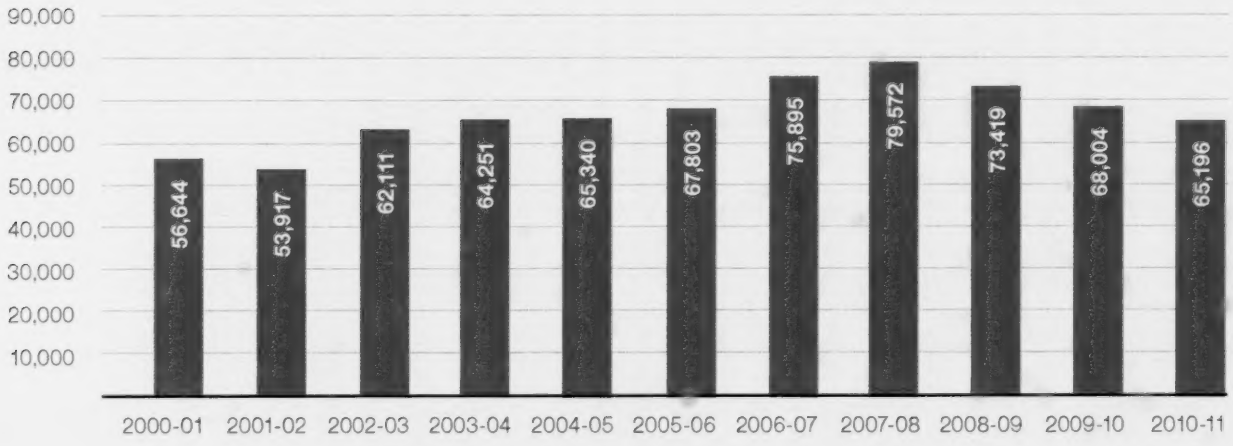
Demographic Profile

- Higher level of education with disposable income
- Honeymoon and anniversary travellers looking for exotic vacation experiences
- Value add to tourists already visiting the destination (hunters, Japanese Aurora visitors, etc.)

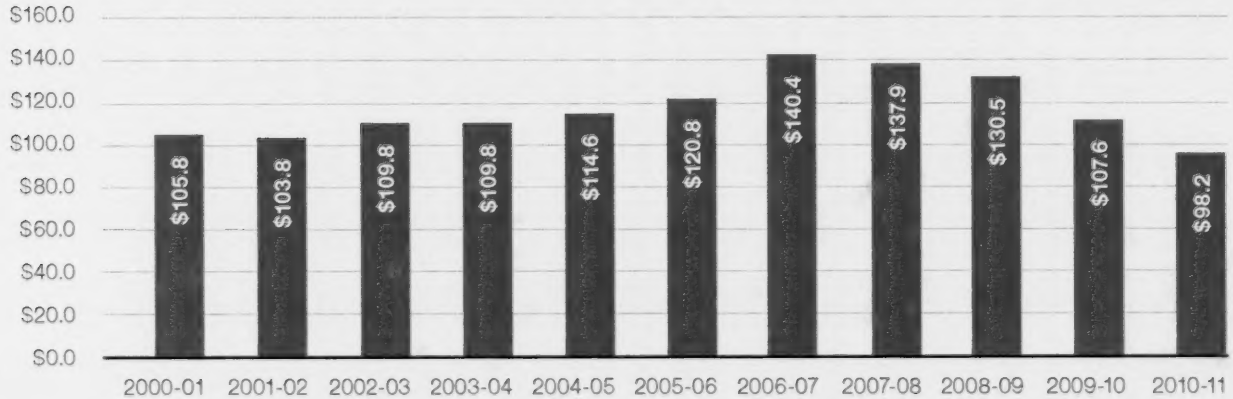
Continued

Tourism Industry Overview

Northwest Territories Visitors



Northwest Territories Visitor Spending ($millions)



NWT Tourism Marketing Plan 2012/13

Northwest Territories Tourism (NWT Tourism) has prepared a comprehensive marketing plan that will guide our marketing activities for the upcoming fiscal year. This plan is based on the following:

- The most recent research from the Canadian Tourism Commission and the Government of the NWT's Industry Tourism and Investment (ITI) department
- Feedback from our local industry partners
- Key advice from the NWT Tourism Marketing Advisory Committee (TMAC)

The 2012/13 Marketing Plan will follow the same integrated marketing approach that was introduced in the 2011/12 plan. The plan will continue to build on the existing Spectacular brand that was developed approximately five years ago. The Northwest Territories brand promises world class natural wonders in a place that will enlighten your mind and refresh you physically and spiritually. The key brand image is the northern lights, since the Northwest Territories offers the best aurora viewing in the world.

Visually, the Spectacular brand is a unified look that consists of iconic images, colour schemes, uniform fonts (text), a logo and a website domain that were developed with the intent of generating awareness and interest from our key target markets. Before developing the Spectacular brand extensive research was done in some of the key markets in Canada and the United States to determine what our brand should look like so that it had a significant impact in our target markets. All marketing materials will utilize the key iconic attractions as a tool for building awareness and interest in the NWT with the overall intention of driving the consumer to the spectacularnwt.com website and our Explorers' guide, with the end goal of driving traffic to our local tourism operators so they can make the final sale.

In the market driven, integrated approach, funds from the various sectors are pooled together into one large pot to allow for increased buying power for print purchases that will reach audiences who have the highest interest in the type of exclusive "off the beaten path" products we can provide.

Continued

NWT Tourism Marketing Plan 2012/13

The content and approach of the integrated, market driven program will be centred on five key NWT brand icons, each representing travel products and regions of the Northwest Territories. The brand icons, or visualizations of the NWT products that will be marketed, build on existing awareness of NWT products or experiences. These icons are:

1. **Aurora**
   This will represent our key Aurora products as well as a range of related products such as dogsledding, snowmobiling, snowshoeing, kite skiing, ice fishing and any other products that are part of an Aurora or winter experience. It will also market the regions or communities most involved with this product, such as Yellowknife, Hay River and Inuvik.
   Branding Goal: To be positioned as the world's #1 Aurora viewing destination.

MAX FARAV / NWT TOURISM

2. **Parks and Wilderness**
   This icon will focus on our best-known parks, but will portray all four national parks, territorial parks, heritage parks, wilderness driving experiences and wildlife viewing and bird watching activities. Since we have parks and wilderness across the territory, it will include all of the regions. The visual icon will be Nahanni National Park Reserve, the salt plains in Wood Buffalo National Park Reserve, or the colourful Barrenlands.
   Branding Goal: To position our world class parks and wilderness as an obvious reason to visit the Northwest Territories.

DANCE NORTH ADVENTURES

3. **Lakes and Rivers**
   Lakes and Rivers will encompass fishing, paddling, cruising and sightseeing. Visualizations could include big lakes, the Mackenzie River Delta, some of our spectacular waterfalls, sandy beaches, roaring rapids and the trophy fishing catch to name a few. This icon covers all regions of the NWT.
   Branding Goal: To be known as one of the top destinations in the world for paddling, rafting and fishing.

TERRY PARKER / NWT

Continued

NWT Tourism Marketing Plan 2012/13

GEORGE FISCHER-HATT

4. Culture and People

This icon will cover festivals, events, Aboriginal arts and crafts, other cultural products and the people of the Northwest Territories in general, including some of our better-known characters. The Great Northern Arts Festival, Folk on the Rocks, Open Sky Festival and winter carnival activities are some of the visualizations of this icon and include traditional activities.

Branding Goal: To integrate the warmth and cultural diversity of our people into all of our marketing efforts.

RONNE HEMING

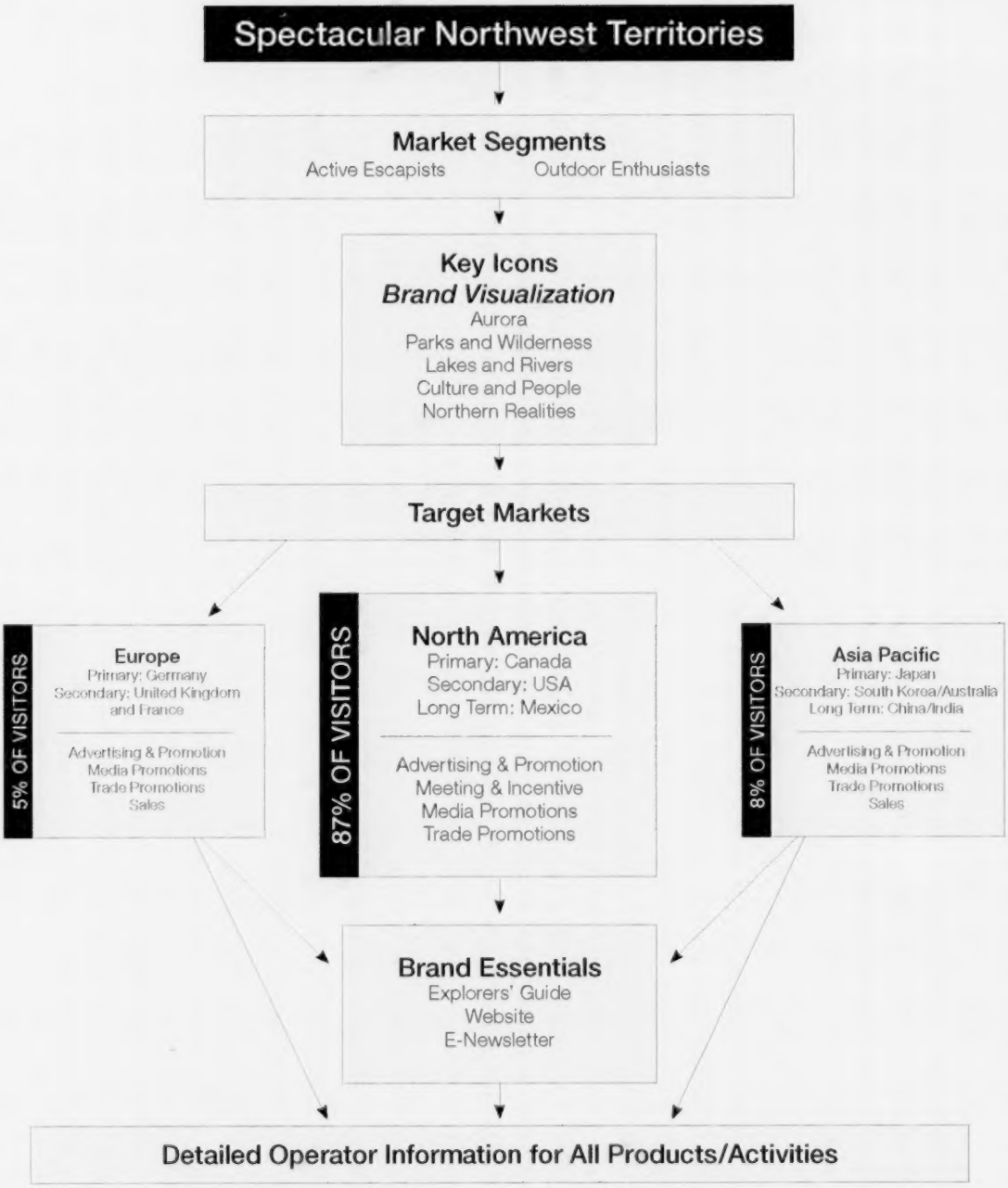
5. Northern Realities

This icon will represent many northern realities that we tend to take for granted, but that are of great interest to visitors. This will include things such as ice roads, midnight sun, -40˚C, bush planes and dipping your toe in the Arctic Ocean.

Branding Goal: To add elements of excitement and adventure to the Northern package, and to take advantage of publicity that a number of these products already have (e.g. Ice Road Truckers, Ice Pilots NWT).

The intention of this strategy is to use the key icons as the driving force to address key market perceptions that are based on past research. Secondly, this strategy allows NWT Tourism the opportunity to take advantage of more opportunities through flexibility in spending.

In order to ensure that these key icons are resonating well with our target markets, NWT Tourism has been in discussions with the research department at ITI about conducting a market perceptions study of these icons. NWT Tourism and ITI plan to carry out this study over the course of the next year.


Spectacular Northwest Territories
Market Segments
Active Escapists
Outdoor Enthusiasts
Key Icons
Brand Visualization
Aurora
Parks and Wilderness
Lakes and Rivers
Culture and People
Northern Realities
Target Markets
5% OF VISITORS
Europe
Primary: Germany
Secondary: United Kingdom and France
Advertising & Promotion
Media Promotions
Trade Promotions
Sales
87% OF VISITORS
North America
Primary: Canada
Secondary: USA
Long Term: Mexico
Advertising & Promotion
Meeting & Incentive
Media Promotions
Trade Promotions
8% OF VISITORS
Asia Pacific
Primary: Japan
Secondary: South Korea/Australia
Long Term: China/India
Advertising & Promotion
Media Promotions
Trade Promotions
Sales
Brand Essentials
Explorers' Guide
Website
E-Newsletter
Detailed Operator Information for All Products/Activities

Continued

NWT Tourism Marketing Plan 2012/13

Goals and Objectives

The overall goal is to generate long-term economic growth in the Northwest Territories through increased visitor numbers and spending.

Although the marketing plan is produced on an annual basis, long term goals for the tourism industry are always taken into consideration. Using the guidance and insight of the GNWT publication "*Tourism 2015: New Directions for a Spectacular Future*" NWT Tourism will work closely with ITI to asses our marketing efforts to ensure we are doing our best to help achieve the overall goals of the plan.

We recognize that many issues such as current economic conditions, the earthquake and tsunami in Japan in March, volatile currency rates and a variety of passport/visa issues and air capacity can have a sizable negative impact on tourism in the NWT and are beyond our control. Yet by working in partnership with ITI and our other industry partners we can look at adjusting our marketing strategy over the long term to ensure we are achieving the best possible results given the unforeseen circumstances the tourism industry may experience.

Performance Measures

In order to asses if NWT Tourism has achieved the goals and objectives that have been set out in the marketing plan, a series of performance measures has been established. A complete list of performance measures can be found beginning on pg 84 of the document. All performance measures will be assessed at the end of each quarter and will be reported to ITI, TMAC and the NWT Tourism Board of Directors.

Continued

NWT Tourism Marketing Plan 2012/13

Who are we marketing to?

In 2006, as part of the NWT Tourism branding project, NWT Tourism worked with Environomics Analytics to determine market segment targets. This information was developed from an analysis of literature requests, fishing license purchases and operator data.

The two prime market segments for NWT visitors were identified as Active Escapists and Outdoor Enthusiasts. NWT Tourism has been targeting these market segments for the past five years. However, before we continue to utilize this strategy we think that additional market research should be conducted to confirm/adjust our target market segments based on the new findings of this research.

Until the new research has been conducted our marketing efforts will focus on key characteristics/criteria including household income, travel motivators, interest in the outdoors, and individuals who are willing to forgo some of the luxuries (but not quality) in exchange for an authentic experience. Our main objective is to target the people who have a keen interest in the products we have to offer and have the economic means and time to afford the trip.

Continued

NWT Tourism Marketing Plan 2012/13

Geographic Markets

Geographic markets for Northwest Territories Tourism are selected using a number of criteria. These include:

1. Strong match between the specific products a geographic market is looking for and our ability to deliver those products.
2. Match between our known and preferred demographics (age, income, education, etc.) and numbers within these demographics who are the active, long haul travellers in a particular geographic market.
3. Current visitation statistics to Canada, to the NWT, and to competing destinations by each geographic market.
4. Travel trends in the specific market.
5. Comparisons of cost, quality and accessibility to competing markets.
6. Uniqueness of our product: hard to find elsewhere, our offerings are among the best in the world (Aurora viewing, paddling, etc.)

Based on this, Northwest Territories Tourism has categorized its geographic markets as follows:

Primary Markets

Ongoing, active marketing is in these markets. The majority of marketing dollars are spent here.

- North America (Canada, with special emphasis on Ontario, British Columbia, Alberta and Saskatchewan, and the United States)
- Asia Pacific (Japan)
- Europe (Germany/Switzerland)

Continued

NWT Tourism Marketing Plan 2012/13

Secondary Markets

Active exploration and testing in these markets is being completed to determine the strength and potential of these markets. They will likely be five years or more away from becoming active markets. Marketing will be done in conjunction with the Canadian Tourism Commission (CTC).

- North America (Mexico)
- Asia Pacific (China, South Korea, Australia)
- Europe (United Kingdom, France)

Long Term Markets

Long term markets show signs of future strength and may merit small test programs. They will likely be ten years or more away from becoming active markets. The CTC is currently doing some initial sales calls and a small amount of marketing in these areas. NWT Tourism will follow the progress of these markets.

- Asia Pacific (India)
- Other (Brazil)

All of the above markets are being closely and actively examined by the Canadian Tourism Commission, and new developments in each country are published in quarterly reports which are available on the CTC website at the link below.

www.corporate.canada.travel/en/ca/markets_products/quarterly_reports/index.html

Brief outlines of the NWT's primary, emerging and long term markets are included in Appendix A of this plan. These profiles include the research data used to select these markets. All research was obtained from studies and reports prepared from the Canadian Tourism Commission and from the insight of our overseas marketing representatives.

Core Marketing Program

The core marketing program is the most significant component of the NWT Tourism marketing plan and by far the largest funding source. As per the funding agreement with ITI, the core marketing budget has been set at $1,504,545 for 2011. (Note: This does not include the $100,000 for the fulfillment contract, which will be discussed in greater detail later in the plan.)

The core marketing program is broken down into three main geographic regions (North America, Europe, Asia Pacific).

North America

The North American marketing campaign will consist of a number of key activities including brand essentials, advertising and promotion, meeting and incentive travel, media promotions, trade promotions and support activities. As domestic travel makes up the largest portion of NWT visitors, Canada will be the main focus of the plan. A few smaller initiatives will also take place in several key locations in the United States.

Brand Essentials

Brand essentials are the key pieces that will tie the entire marketing plan together and provide the transition between the advertising of our key icons to promoting all of the NWT Tourism products. For example, a person could be attracted to the Northwest Territories via the lakes and rivers icon, but could search out paddling and fishing on the website or in our travel guide. The brand essentials will include the Explorers' Guide, the Hunting Brochure, the NWT Tourism website and the e-NWT newsletter. Each of these promotional tools will feature key information on all of the tourism sectors as well as highlight the various regions of the NWT.

Continued

Core Marketing Program

Goal:

- To increase consumer awareness and interest in the NWT within our key markets in Canada (Ontario, British Columbia, Alberta and Saskatchewan), and the United States and to build on the momentum of the Spectacular NWT brand.

Objectives:

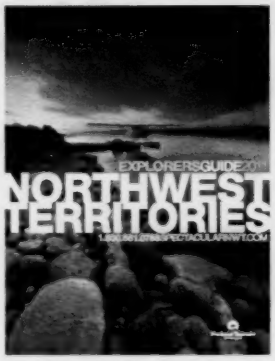
- To produce and distribute 50,000 copies of our Explorers' Guide
- To produce and distribute an NWT hunting brochure
- To develop/maintain a vibrant and user friendly website that resonates well with our key target markets
- To increase the number of subscribers to our e-NWT newsletter by 10%

NWT EXPLORERS' GUIDE

The Explorers' Guide has always played a key role in the promotion of the NWT. Each year over 50,000 guides are distributed through individual orders, as well as bulk shipments to a variety of visitor information centres. With the exception of sport hunting, the guide will feature key information on each of our leisure sectors including sport fishing, Aurora, outdoor adventure, touring and Aboriginal tourism. Building on the Spectacular brand, the Explorers' Guide will once again focus on stunning imagery followed by key travel information. A PDF version of the guide will also be available for download on the NWT Tourism website.

TOTAL BUDGET $125,000

** any shipping costs will be allocated under the call centre budget.*



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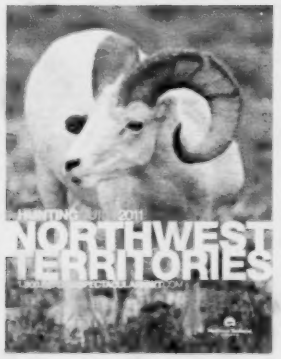
Core Marketing Program



NWT HUNTING BROCHURE

The NWT Hunting Brochure will be a stand alone piece that will feature information on the various hunts that are available in the NWT, provide specific information about the various species and provide a list of operators who provide guided hunts.

TOTAL BUDGET $10,000

NWTT WEBSITE

Since its launch in November 2008, the NWT Tourism website continues to build momentum and unique visits and length of stay on the site continue to grow. The website is the main anchor of the marketing plan as it has the ability to provide key information on all of the tourism products and services in the NWT and to drive the consumer directly to the websites of our tourism operators. The spectacularnwt.com website receives over 400,000 unique visits each year. This past year there were over 50,000 jump offs from the NWT Tourism website to our local operator websites.

In order for any website to be effective, it must be updated and maintained on a regular basis. As part of the website contract, the firm currently developing the website will be responsible for ongoing maintenance. This will include bandwidth management, hosting, and ensuring all main content is current. NWT Tourism manages a majority of the content updates to the site including events and local operator listings.

The current website is in need of a serious makeover for both look and functionality. Much of this will be incorporated through special landing pages and promotional sections that are linked to our integrated advertising program. Details will be explained in greater detail in the **Advertising and Promotion** section that follows.

TOTAL BUDGET $100,000

Continued

Core Marketing Program

E-NEWS PROMOTIONS

E-marketing campaigns have proven to be an excellent form of advertising that have resulted in a significant number of enquiries and visits to our NWTT website. This method of marketing is highly desirable as the results are trackable and we have the ability to reach a large target audience at a relatively inexpensive rate. This venue also provides our industry partners the opportunity to promote the various sectors and regions within the NWT. The email campaign will have eight editions per year with editorial features and packages to correspond with our seasonal tourism products.

TOTAL BUDGET $15,000

Advertising and Promotion

Goal:

- To generate increased traffic to our Explorers' Guide, website and social media sites with the end goal of linking the consumer to the products and services of our local tourism operators.

Objectives:

- To target an audience of over 4 million impressions through our promotional campaigns
- To increase enquires to our Call Centre (web, e-mail, phone) by 10%
- To increase the number of unique visitors to the spectacularnwt.com website by 15% over the course of the year
- To increase the number of followers on our Twitter accounts by 20%, and to establish a baseline for measuring our newly developed Facebook page
- To increase the number of cooperative marketing activities that are available to our local tourism operators
- To increase the number of jump offs from the NWT Tourism website to the websites of our local tourism operators by 10%

Continued

Core Marketing Program

INTEGRATED MARKETING CAMPAIGN

The aim of the integrated marketing campaign is simply to bring a number of elements together in one campaign to deliver greater results and improve return on investment. An integrated marketing campaign aims to present a consistent message via the complementary use of various media. It focuses on identifying consumer insights then developing a strategy with the right channels (online and offline) to produce a more interesting and impactful campaign that will have a higher response rate and generate more leads.

This integrated campaign will address the tourism product mix in the Northwest Territories while delivering a strong, simple message using multiple media sources. These will include online sources such as websites (main, mobile, landing pages), QR codes, social media, (Facebook, YouTube, Twitter, blogs, e-newsletters) and offline media such as print advertising, travel guides, posters, billboards and more.

The integrated campaign will have a central theme so the ads a consumer might see in print will be reinforced online, or in any other media encountered. The campaign theme which could be diversity or uniqueness or natural wonders will in turn support the brand – Spectacular Northwest Territories. For example, Newfoundland Tourism themed a campaign on "authentic" and all television, print and online ads featured authentic and folksy representations of Newfoundland.

The overall intent will be firstly to make the Northwest Territories front of mind, and secondly to encourage potential visitors to be aware of the great travel products we offer in the Northwest Territories.

An integrated marketing campaign allows us to go from the mass media to more specialized (niche) media, which are centred in specific target audiences. It also allows NWT Tourism to improve agency accountability. The integrated campaign will use a number of tactics including print advertising, interactive promotion including web and social media and other promotional tactics which range from decals on trucks to special promotions in target markets. The budget will be allocated as 40% ($45,000) print advertising, 50% ($180,000) digital/interactive advertising ($225,000) and 10% promotional advertising ($45,000).

Continued

Core Marketing Program

Print advertising will focus primarily on daily newspapers and to a lesser extent magazines. The Globe and Mail has been utilized in NWT Tourism's marketing promotions for a number of years now and has proven highly effective. With a national readership of over 1 million (Saturday edition) in our key target markets, our advertising campaigns have resulted in increased enquiries, website visits and bookings. Magazine advertising will focus on niche publications such as Fly Fisherman, Astronomy or Westworld that target a specific interest group. Whenever possible all print material will feature cooperative advertising with our local tourism operators.

Digital advertising is another main component of the integrated marketing campaign. Our research indicates that the 47-65 year old market (our primary market) are avid internet users and are involved in a range of social media. According to an E-marketer study, younger boomers age 47 to 55 spent 39.3 hours online in the month of March, 2011 and older boomers age 56-65 spent 36.5 hours. Much of this time was spent buying things, including travel. We also know that boomers online value experiences more than "stuff". The reach and tactics of the digital campaign will be determined by the creative strategy for the entire campaign. Specifically the digital advertising plan will aim to build a community of people interested in various types of NWT travel experiences, develop interactions between NWT Tourism operators and potential or previous visitors, provide an ongoing supply of current information about the NWT as a preferred travel destination and to track responses/sales to determine ROI for the funds expended.

Tactics that will be considered could include the following as examples.

- NWTT websites (main, mobile, special landing pages, etc.)
- Smart tracking and user profiling
- Conventional online advertising (pre-roll, banners, boxes, Google ads, etc.)
- Social online advertising (Facebook, Promoted Tweets, etc.)
- Links (free and negotiated)
- Social media channels such as Twitter, Facebook, You Tube, custom blogs
- Search engine optimization
- Templates for operator sites
- Operator training and workshops to engage larger market on the net

Continued

Core Marketing Program

- Gamification (building online games into the NWT website to generate additional interest)
- Buyer's hub
- Contests
- Deals and specials
- Surveys
- E-newsletters

Once the overall creative strategy is in place, other tactics could be added. Not all tactics listed will necessarily be used.

Promotional advertising will include special events or activities that have the potential to generate special interest in the NWT. Activities such as flash mobs or guerrilla marketing (i.e. projecting images onto sides of buildings) are activities that have worked well for other tourism destinations.

TOTAL BUDGET $450,000

CONSUMER SHOW PROGRAM

The consumer show program is an excellent venue to meet face to face with potential visitors and to provide destination awareness of the NWT. Although consumer shows have become less popular with consumers over the years, certain shows such as Quartzsite RV Show have proven effective in marketing the NWT's parks and campgrounds, and adventure shows such as the Toronto and Calgary Outdoor Shows have brought a number of good results to our industry partners. These shows are particularly effective when the local operators attend and are able to sell their product directly to the consumer. The consumer show program also provides an excellent opportunity for cooperative marketing, as NWT Tourism often allocates additional booth space for NWTT members at a number of the shows that we attend each year. The consumer show program is broken down into the following components, Sportsman Shows, RV Shows and Outdoor Adventure Shows.

Consumer shows will be assessed on three key criteria: feedback from participating operators (booking, enquiries, overall perception of show), marketing exposure at the show (sponsorship opportunities, show attendance, materials handed out at show) and actual enquiries fielded by NWT Tourism.

Continued

Core Marketing Program

The proposed shows for 2012/13 include the Sacramento Sportsman's Show, the Edmonton Motorcycle Show, Quartzsite RV Show and the Vancouver, Calgary and Toronto Outdoor Adventure Shows.

TOTAL BUDGET $75,000

**through the cooperative marketing program, NWT Tourism plans to bring in an additional $40,000 - $50,000 from operator buy in to expand the program and have a greater presence in the market.*

Business Travel

The Business Sector brings in a substantial amount of revenue to the NWT. Marketing efforts will focus on attracting small to midsize meetings and conferences to the NWT and the business traveller who is already in the NWT.

Goals:

- To increase business travel revenues by attracting new meetings and conventions to the NWT and to encourage the business traveller who is already in the NWT to partake in some of our tourism activities.

Objectives:

- To expand the NWT Meeting Planner to include additional communities within the NWT
- To promote the NWT as a meeting and convention destination at three MCIT specific trade shows
- To develop a list of meeting and convention planners and to communicate with them through special e-news promotions and sales calls
- To host two MCIT trade FAMs that highlight the various meeting destinations throughout the NWT
- To attract 5 new conventions to the NWT
- To expand our mobile website and other promotions that are used to target the NWT business traveller

Continued

Core Marketing Program

NWT MEETING AND CONVENTION PLANNER

Now several years into production, the NWT Meeting Planner has proven to be an effective tool for attracting new conventions to the NWT. This planner features key information that meeting planners are looking for including meeting and accommodation facilities, transportation and other amenities. The meeting planner will focus on the main centres that can host conferences including Yellowknife, Inuvik, Hay River, Norman Wells and Fort Simpson. Additional information will be provided on a number of venues that can host smaller meetings. 1000 meeting planners will be produced in total, and will be distributed at various Meeting and Incentive Travel Shows.

TOTAL BUDGET $15,000

MC&IT SHOWS

As part of our strategy to attract meetings and conventions, NWT Tourism has begun attending several meeting and convention shows each year. For the past three years, a special delegation including representatives from Hay River, Inuvik and Yellowknife have joined NWT Tourism to attend the Canadian Society of Association Executives (CSAE) conference and trade show. Each year the show alternates between the larger communities of Canada, with the most recent show held in Saskatoon. At each show, NWT Tourism and our partners are able to generate a number of key leads and usually several conferences are booked. Other shows include Tête-à-Tête and one CTC Incentive Works show in the United States. As the CTC is actively marketing in the MCIT program in the United States, NWT destination awareness in this market is already being established.

TOTAL BUDGET $25,000

Continued

Core Marketing Program

FAM (FAMILIARIZATION) TOURS

As NWT Tourism expands our marketing efforts into the Meetings and Convention market, it is important that we offer our key trade and media partners the opportunity to experience our products. We have already been working with several Incentive Travel promoters who are keen to add NWT fishing, outdoor adventure and Aurora to the package offering to their clients. We would like to expand our focus this year to include one or two FAM tours to host several meeting planners so that they can see the excellent meeting facilities and the unique add on travel experiences that are available throughout the NWT.

TOTAL BUDGET $25,000

ADVERTISING AND PROMOTION

Advertising will be limited to a number of key MC&IT directories including the annual CSAE buyer's guide. The remainder of the advertising budget will be reallocated towards a dedicated sales person who promotes the NWT as an MC&IT destination.

TOTAL BUDGET $12,500

SALES/PROJECT COORDINATION

As NWT Tourism works towards building a viable MC&IT market, it is essential to utilize the services of a dedicated sales agent who has a solid database of key meeting and conference planners and is well versed in the MC&IT market. The MC&IT sales manager will attend a number of MC&IT shows and promotional events and make sales calls to conference planners and incentive houses on behalf of NWT Tourism. The sales manager will also provide NWT Tourism with regular reports and will monitor all MC&IT marketing and sales activities to ensure we are receiving the best possible return on investment. The budget would be broken down $25,000 project coordination and $15,000 travel expenses.

TOTAL BUDGET $40,000

Continued

Core Marketing Program

Media Promotions

Media promotions are an excellent way to increase awareness of and interest in the NWT and to acquire significant print, web, social media and television/video exposure that we would not be able to afford to purchase through our advertising dollars. Media promotions include shows and events, FAM tours and support activities.

Goal:

- To generate over $2 million worth of media coverage within our key geographic markets

Objectives:

- To meet with 25 – 30 journalists at Go Media Marketplace
- To host 8 to 10 Media FAM tours that feature the various regions of the NWT
- To increase participation (and support) for our Media FAM program by our local tourism operators through enhanced communication and in-kind support
- To acquire 500 new high resolution images that can be used in NWT promotional collateral and can also be used by the Media to promote our destination

MEDIA SHOWS AND EVENTS

GO MEDIA

Go Media is an annual international marketplace held in various locations throughout Canada. The 2012 event will be held in Whitehorse in May. Go Media brings together 100 or more tourism industry media representatives and a similar number of travel media from Canada, Asia Pacific, Europe and Latin America. It is an international showcase event that affords industry members an exclusive opportunity to meet with travel media who may be interested in exploring story lines and production potential. With the event hosted in Canada's North for the first time in 2012, there is an opportunity for the three territories to partner on a special promotion/function at the event.

TOTAL BUDGET $12,000

Continued

Core Marketing Program

TOURISM WEEK

Special events such as Tourism Week play an important role in increasing awareness of NWT Tourism and the value of tourism in the territorial economy. This past year, NWT Tourism did a special promotion that encouraged residents of the NWT to send digital postcards to their family and friends. Those that participated were entered into a draw for several prizes. A special landing page housed the contest along with key information of the value of tourism. In addition, NWT Tourism worked in partnership with the Northern Frontier Visitor Association to host a special Tourism Week Golf Tournament. The event was a big success and NWT Tourism plans to continue with this campaign again this year. Other communities such as Hay River have indicated that they would like to host the tournament next year.

TOTAL BUDGET $6,000

MEDIA FAMS

Bringing up key media to experience the NWT is an excellent way to gain valuable media exposure. This past year, NWT Tourism hosted over 30 travel writers on a number of media FAMS that have covered the various sectors and regions of the NWT. The media exposure generated from these FAMs is in excess of $1 million, and when you add the coverage of the Royal Visit, media exposure for the current 2011/12 fiscal year has already exceeded a staggering $16 million. With Go Media being held in Whitehorse in May of 2012 there are additional opportunities to host a post Go Media FAM. Potential itineraries are already being considered.

TOTAL BUDGET $40,000

Continued

Core Marketing Program

RESOURCES AND SUPPORT ACTIVITIES

To assist travel media, NWT Tourism has created a number of resources and support systems. These include a blog-style website, media monitoring and the ongoing maintenance of an online photo and video library. The blog site marketing.spectacularnwt.com houses a record of all NWT Tourism advertising, including print and web advertising, cooperative marketing initiatives, consumer shows and other innovative marketing campaigns as well as a record of all tourism related media coverage on the NWT.

Media monitoring is done through a software company called MediaMiser. This program provides NWT Tourism with valuable competitive information about media interest, story trends, message penetration, and evaluation for travel media relations. It will allow NWT Tourism to effectively track and report media coverage. This program will help to establish solid benchmarks and will be an effective measure of our return on investment for our strategic communications activities.

The online photo and video gallery for NWT Tourism is available to members of the travel media and the travel trade who are actively promoting tourism to the Northwest Territories. The gallery contains high-resolution images and video clips of the Northwest Territories. These images are offered for the sole purpose of promoting tourism to the Northwest Territories. It is important to refresh these images on a regular basis to ensure that they are current and that our most positive images are available for this use. It is also important to update this site to ensure that it serves the audience who uses it as effectively as possible.

TOTAL BUDGET $30,000

Continued

Core Marketing Program

Trade Promotions

The travel trade plays a key role in promoting NWT Tourism products, especially to niche markets. NWT Tourism will work with ITI to determine which tourism products are packaged and market-ready and then promote these aggressively to the trade through a variety of marketing and sales initiatives.

Goal:

- To increase the number of NWT products that are being promoted and sold by the travel trade

Objectives:

- To meet with 70 – 80 tour operators/wholesalers at Rendez-vous Canada and promote the NWT as a world class tourism destination
- To host two Trade FAMs for key wholesalers/receptive tour operators
- To increase participation (and support) of our Trade FAM program by our local tourism operators through market-ready training and in-kind support
- To expand/enhance our Travel Trade promotional collateral (Tour Planner, operator flat sheets, trade website, sample itineraries and special trade website)
- To establish a database of key travel trade accounts and to communicate with the travel trade on a regular basis through new product updates and sales calls
- To promote all market-ready packages to the travel trade

TRADE SHOWS

Rendez-vous Canada (RVC) is Canada's premier annual international tourism industry marketplace. The principle objectives of this trade show are to ensure that international buyers have the opportunity to meet with market-ready suppliers of Canadian tourism products and services and to increase awareness in international target markets that Canada is a first-class travel destination.

Continued

Core Marketing Program

Business is conducted between Canada's internationally competitive tourism industry sellers, in cooperation with Destination Marketing Organizations (DMOs), and international Buyers (foreign tour operators, wholesalers and packagers). Participation in the event is by invitation only. Typically NWT Tourism meets between 70 to 80 buyers during the event. RVC 2012 will take place in Edmonton.

TOTAL BUDGET $20,000

TRADE FAMS

Trade FAMS are an excellent way for NWT Tourism to showcase market-ready product to the travel trade and to enable our local tour operators to sell their products on the international wholesale market. Trade FAMs will focus on the outdoor, touring and Aurora markets. NWT Tourism will host one or two trade FAMs in the North American market, with the remainder of the trade FAMs taking place in the European and Asia Pacific markets.

TOTAL BUDGET $13,000

RESOURCES/SUPPORT ACTIVITIES

Resources and support activities play an important role in assisting the travel trade to carry NWT market-ready products. This includes promotional resources like product information flat sheets, tour planners, new product updates and sample itineraries. All of these collateral pieces help to keep the NWT top of mind with the Travel Trade.

Building off the success of the Product Diversification Program, NWT Tourism and our dedicated sales team has been developing innovative tools to showcase the new market-ready products that have been developed. These tools include a new product brochure, a tour planner, operator's flat sheets and a travel trade website. Many of these tools were launched during RVC and received rave reviews from the travel industry. The travel trade website will be launched in October 2011. NWT Tourism will continue to refine these marketing tools and use them for sales calls and trade shows such as RVC.

TOTAL BUDGET $27,000

Continued

Core Marketing Program

SALES/PROJECT COORDINATION

As the majority of our local operators offer niche products, it is important that they work closely with the travel trade to help generate sales of their product. To help facilitate this, a dedicated North American sales agent has been set in place. The sales manager makes sales calls to tour operators and travel agencies in key locations in Canada (Toronto, Vancouver, Calgary) and in the United States. By working with the receptive tour companies such as Jonview, Brewster and Discovery Holidays, NWT product is now being picked up by several of the key receptive tour operators that are located in North America. As most overseas tour operators buy through a receptive operator, it is important that our sales agent ensures that the receptive tour companies are carrying NWT market-ready products.

In May 2011 NWT Tourism began contracting out the services of Jackie Frederick (Hotkey Marketing Group) to take on the role of sales manager for North America. In the six short months that she has been working for us, Jackie has made some incredible progress. Discover Holidays (the second largest receptive tour operator in North America), is now carrying NWT product in their tariff. Entrée Destinations, a high end tour operator whose clients include celebrities and dignitaries, is now working with some of our operators. Another company, Routes to Learning (formerly Elderhostel), has confirmed booking for two groups of 24 people to the NWT next summer. We are confident that the trade industry will continue to grow at a rapid pace.

The sales contract will be broken down as $25,000 for project coordination and $10,000 travel expenses.

TOTAL BUDGET $35,000

Continued

Core Marketing Program

Project Coordination

Goals:

- To assess the effectiveness of our marketing campaigns to ensure that they are helping to achieve the overall goals of the marketing plan and are meeting the needs of our industry parnters

Objectives:

- To develop a list of performance measures
- To set a baseline/target for all performance measures
- To review all performance measures at the end of each quarter and report findings to TMAC and ITI
- To increase the number of NWT Tourism members by 10%

**NWT membership numbers will be used as an indicator as to whether local industry operators are seeing a value in the programs we provide and are benefiting from our marketing efforts.*

AGENCY OF RECORD

In an effort to coordinate advertising campaigns, NWT Tourism requires the services of an agency of record. The agency of record (AOR) plays a vital role in the selection of ad purchases and helps to significantly reduce the cost of ad placements though strategic negotiations with various media representatives. Along with the media buys, the AOR coordinates the development of campaigns and the production of all ad materials to ensure a consistent image and message.

TOTAL BUDGET $80,000

Continued

Core Marketing Program

RESEARCH

Working in conjunction with ITI, NWT Tourism will undertake a series of performance measurement projects that will analyze the effectiveness of our advertising campaigns and will help determine the future direction of NWT Tourism promotions. As there has been a significant shift in our Call Centre enquiries from phone to web based, NWT Tourism is looking at repurposing our annual conversion study to capture our key statistical data. A web based conversion study would allow us more flexibility in the questions we ask and the ability to collect key research data over an extended period of time.

TOTAL BUDGET $32,000

PARTNERSHIP TRAVEL

Throughout the year, NWT Tourism participates in several meetings related to the overall tourism agenda, but that do not necessarily tie into one particular marketing initiative. This would include things such as the Deh Cho Travel Connection spring and fall meetings, the CTC Advisory Committee working group, ITI initiatives and one on one meetings with our local tourism operators that occur from time to time.

TOTAL BUDGET $12,545

Continued

Core Marketing Program

SUMMARY OF NORTH AMERICA BUDGET

	2011/2012	2012/2013
Brand Essentials		
NWT Guides		
Explorer's Guide	$ 125,000	$ 125,000
Hunting Brochure	$ 10,000	$ 10,000
NWTT Website	$ 100,000	$ 100,000
E-News Promotions	$ 15,000	$ 15,000
	$ 250,000	**$ 250,000**
Advertising and Promotion		
Integrated Marketing Campaign	$ 450,000	$ 450,000
Consumer Show Program	$ 75,000	$ 75,000
	$ 525,000	**$ 525,000**
Business Travel		
NWT Meeting Planner	$ 15,000	$ 15,000
MC&IT Shows	$ 20,000	$ 25,000
FAM Tours	$ 12,500	$ 25,000
*Advertising and Promotions	$ 105,000	$ 12,500
Sales and Project Coordination	$ 0	$ 40,000
	$ 152,500	**$ 117,500**
Media Promotions		
Media Shows & Events		
Go Media	$ 7,000	$ 12,000
Media Marketplace	$ 6,000	$ 0
Tourism Week	$ 5,000	$ 6,000
Media FAMs	$ 40,000	$ 40,000
Resources/Support Activities	$ 30,000	$ 30,000
	$ 88,000	**$ 88,000**
Trade Promotions		
Trade Shows		
Rendezvous Canada	$ 20,000	$ 20,000
Trade FAMS	$ 13,000	$ 13,000
Resources/Support Activities	$ 15,000	$ 27,000
Sales/Project Coordination	$ 12,000	$ 35,000
	$ 60,000	**$ 95,000**
Project Coordination		
Support Activities	$ 80,000	$ 80,000
Research	$ 32,000	$ 32,000
Meetings and Promotions	$ 12,545	$ 12,545
	$ 124,545	**$ 124,545**
Total North America	**$ 1,200,045**	**$ 1,200,045**

**Business travel advertising and promotions were reduced to incorporate the North American GSA into the core marketing program (shared between Business Promotions and Trade Promotions).*

Continued

Core Marketing Program

Europe

The European marketing campaign will focus primarily on Germany, with some focus on Switzerland based on current relationships with the Swiss travel trade. Marketing efforts in the United Kingdom and France will be limited to meetings with several tour operators at RVC and perhaps a few smaller projects based on the fit between the trade and our market-ready operators.

Promotions in Germany will include advertising, sales calls and the expansion of the German-language website spectacularnwt.de.

Advertising and Promotion

Goal:

- To increase consumer awareness and enquiries in our German-speaking markets

Objectives:

- To generate enquires to our NWT info line that is located in Germany
- To increase the number of unique visitors to the spectacularnwt.de website by 25% over the course of the year
- To target an audience of over 2.5 million impressions through our promotional campaigns
- To increase the number of cooperative marketing activities that are available to our local tourism operators

In March 2011, NWT Tourism began contracting out the service of Denkzauber to coordinate marketing activities in German-speaking Europe. The company's owner, Michaela Arnold, was a long time employee of the CTC Germany office and is extremely knowledgeable and respected by the German travel trade industry. In the short time Michaela has been working with us, she has coordinated a number of media buys, managed the content on spectacularnwt.de and facilitated a number of very successful cooperative marketing initiatives with German tour operators. This past year

Continued

Core Marketing Program

Michaela coordinated a special promotion with CANUSA that resulted in approximately 100 new German visitors to the NWT.

Media buys for the upcoming year will include print, web and social media ads, as well as a number of cooperative marketing initiatives with the travel trade. Success will be measured by the number of visits to our website, the number of tour wholesalers that feature NWT market-ready product and the number of packages sold. Given the potential of the direct flight between Zurich and Yellowknife, several of the cooperative marketing initiatives with the travel trade will focus on promotions that include the direct flight. The proposed budget would consist of 40% print, 40% web and 20% promotional advertising. The breakdown of the advertising budget is $40,000 consumer marketing and $20,000 travel trade.

TOTAL BUDGET $60,000

Trade Promotions

Trade promotions will consist of Trade Shows and Trade FAMs.

Goal:

- To increase the number of NWT market-ready products that are promoted and sold by the travel trade.

Objectives:

- To meet with 25 – 30 tour operators at ITB and Rendezvous Canada and promote the NWT as a world class tourism destination
- To host one Trade FAM for key wholesalers/receptive tour operators
- To increase participation (and support) for our Trade FAM program by our local tourism operators through market-ready training and in-kind support
- To establish a database of key travel trade accounts and to communicate with the travel trade on a regular basis through new product updates and sales calls
- To promote all market-ready packages to the travel trade

Continued

Core Marketing Program

Trade Shows

Each year we attend the travel show ITB, A 5-day event held each spring in Berlin, Germany. With over 10,000 exhibitors taking part in the event, ITB is the largest trade show in the world. ITB is open to both the travel trade and the general public. ITB receives over 160,000 visitors each year, with over 95,000 of these from the travel trade.

As is the case with all of the other trade shows, members of the Travel Trade can book an appointment with any of the exhibitors. With the flexible format, the general public can access the information as they would at any consumer show. On average NWT Tourism meets with 20 – 30 tour operators at this event.

TOTAL BUDGET $16,000

Trade FAMs

NWT Tourism will host one Trade FAM from the German speaking market. This will include tour wholesalers from Germany as well as receptive tour operators who sell to the German market. The primary focus of the FAM will be self drives and outdoor adventure and will include stops to a number of our key iconic attractions including the Dempster Highway and Nahanni National Park Reserve. NWT Tourism will work with our market-ready products to determine which operators are interested in working with the travel trade for Germany.

TOTAL BUDGET $15,000

Media Promotions

Media promotions will consist of Media FAMs, press releases and attendance at several CTC media meetings and events. Press releases and meetings will fall under the project coordination sales budget.

Continued

Core Marketing Program

Goal:

- To generate over $250,000 worth of media coverage within our key European geographic markets

Objectives:

- To host one media FAM from German-speaking Europe
- To increase participation (and support) for our Media FAM program by our local tourism operators through enhanced communication and in-kind support
- To write a minimum of six press releases on new activities/products that are being developed in the NWT
- To attend a minimum of two CTC meetings/promotions to stay up to date on media trends in German-speaking Europe.

Media FAMs

Media FAMs will feature touring and outdoor adventure. NWT Tourism will work closely with Denkzauber and the CTC to determine which media will be chosen for these FAMs. Preference will be given to media that match our geographic and demographic markets, and whenever possible they will be encouraged to experience several products when they are in our region.

TOTAL BUDGET $10,000

Sales and Project Coordination

Goal:

- To coordinate innovative marketing programs that meet the needs of our key German-speaking trade accounts and our local tourism operators.

Continued

Core Marketing Program

Objectives:

- To work closely with our key trade and media partners and to establish partnership opportunities with NWT Tourism
- To maintain a close working relationship with the CTC office in Germany
- To provide a monthly report that outlines key insights into the German-speaking market and to report on all current and upcoming marketing activities

As previously mentioned, NWT Tourism has contracted Denkzauber to coordinate our German marketing campaign. This contract includes project coordination, the ongoing development of the NWT German-language website, development and placement of all promotional ads and attendance at a number of consumer shows and promotional events on behalf of NWT Tourism.

Denkzauber will work closely with German tour wholesalers to ensure that NWT is top of mind and that they are aware of any new market-ready products as they are developed. Denkzauber will also ensure that NWT Tourism is provided with monthly activity reports to assess our ROI in the German market.

TOTAL BUDGET $50,000

SUMMARY OF EUROPEAN BUDGET

	2011/2012	2012/2013
Advertising and Promotion	$ 60,000	$ 60,000
Trade Shows	$ 16,000	$ 16,000
Trade FAMS	$ 15,000	$ 15,000
Media FAMS	$ 10,000	$ 10,000
Project Coordination/Support Activities	$ 50,000	$ 50,000
	$ 151,000	**$ 151,000**

Continued

Core Marketing Program

Asia Pacific

The Asia Pacific marketing campaign will consist of a number of key activities including advertising and promotion, trade shows, trade and media FAMs and project coordination/sales. Japan will be the main focus of the Asia Pacific marketing campaign, with a few smaller projects taking place with South Korea. Promotions with Australia, China and India will be limited to meetings with several tour operators at Showcase and RVC and perhaps a few smaller projects based on the fit between the trade and our market-ready operators.

Advertising and Promotion

Goal:

- To increase the interest and bookings in Japan and our other Asia-Pacific markets (Japan will be the main focus)

Objectives:

- To generate enquires to our NWT info line that has recently been set up in Japan
- To set a baseline for the number of unique visitors to the spectacularnwt.jpe website (to be launched in December 2011)
- To target an audience of over 3 million impressions through our promotional campaigns
- To increase the number of participants (trade, media and consumers) who attend our Aurora Week event
- To increase our current Aurora market, look for ways to expand our promotions to include other products and destinations within the NWT, and to increase the length of stay of our visitors.
- To increase the number of cooperative marketing activities that are available to our local tourism operators

For the past two years, NWT has worked in partnership with Air Canada Japan and the CTC to host a special Aurora Week event in Tokyo. This event includes a special trade and media night, consumer seminars, a photo exhibit and a variety of print

Continued

Core Marketing Program

and web promotions leading up to the event. Several tour operators from the NWT participate in this event and are able to showcase their products to consumers and tour wholesalers. The 2011 event is shaping up to be a far bigger success than the inaugural event, with the number of trade and media participants almost doubling (from 60 – 100) and the number of consumers attending the seminar expected to rise from 20 participants to 370. Having a dedicated marketing agency located in Tokyo has played a significant factor in this success. Other promotions will include a small amount of print and web advertising, a newsletter promotion, social media and sales calls. The budget will break down as 70% promotional, 20% print and 10% interactive advertising.

TOTAL BUDGET $60,000

Trade Promotions

Trade promotions will consist of Trade Shows, Trade FAMs and Sales Calls. The budget for Sales Calls will fall under the project coordination budget as this activity has minimal costs, other than the actual person hours of our Japan marketing representatives.

Goal:

- To increase the number of NWT market-ready packages that are promoted and sold by the travel trade.

Objectives:

- To meet with over 140 Asia-Pacific tour operators at Showcase Canada, CITAP and Rendezvous Canada and promote the NWT as a world-class tourism destination
- To host two to three Trade FAMs for key wholesalers/receptive tour operators
- To increase participation (and support) or our Trade FAM program by our local tourism operators through market-ready training and in-kind support
- To establish a database of key travel trade accounts and to communicate with the travel trade on a regular basis through new product updates and sales calls
- To promote all applicable market-ready packages to the travel trade

Continued

Core Marketing Program

Trade Shows

NWT Tourism will attend two Asia-Pacific trade shows. These include Showcase Canada and CITAP. Approximately 20 – 30 tour operators from Japan, Korea, and China attend Rendez-vous Canada and NWT Tourism will have an opportunity to meet with some of these tour companies at this time.

SHOWCASE CANADA

Showcase Canada is an annual week-long event organized by the CTC where Canadian sellers meet with Japanese, Korean, Chinese and Indian buyers. NWT Tourism's presence helps establish credibility for the NWT and its tourism operators and generates awareness about the Aurora and our other exceptional tourism products. Throughout the course of this event, NWT Tourism is able to meet with over 125 tour wholesalers and travel agents and showcase NWT market-ready products. Although Aurora viewing was the primary focus for many of the Japanese tour operators, we found that there was an increasing interest in other products including hiking, World Heritage sites (Wood Buffalo/Nahanni), fishing, outdoor activities and the tundra. Showcase Canada 2012 will be held in Japan.

TOTAL BUDGET $15,000

CITAP

Each December, the city of Vancouver hosts the Canadian Inbound Tourism Asia-Pacific (CITAP) trade show. CITAP provides the perfect opportunity for DMOs to meet with a variety of receptive tour operators who are selling on behalf of the Japanese, Korean, Chinese and Australian markets. CTC representatives provide updates on each of these markets and some insight into new marketing initiatives that are underway. During this time a number of sales calls are made to various Asian travel agencies including JTB, H.I.S. and Maple Fun Tours.

TOTAL BUDGET $3,500

Continued

Core Marketing Program

Trade FAMs

NWT Tourism will host two to three FAMs with the Asia Pacific market. Based on the feedback given to us by our local Aurora operators the main focus for the Trade FAMs will be Japan. This will include key wholesalers from Japan as well as receptive tour operators in Canada. In an effort to expand the Aurora market, NWT Tourism will work with the CTC to host one FAM tour from Korea.

TOTAL BUDGET $15,000

Media Promotions

Media promotions will consist of Media FAMs, press releases and attendance at several CTC media meetings and events. Press releases and meetings will fall under the project coordination sales budget.

Goals:

- To generate over $250,000 worth of media coverage within our key Asia-Pacific geographic markets

Objectives:

- To host two media FAMs from Asia-Pacific (primary focus with be Japan)
- To increase participation (and support) for our Media FAM program by our local tourism operators through enhanced communication and in-kind support
- To write a minimum of six press releases on new activities/products that are being developed in the NWT
- To attend a minimum of two CTC meetings/promotions to stay up to date on media trends in the Japan market

Media FAMs

NWT Tourism will host two FAMs for the Asia Pacific media. The main focus will be on Japan and Korea and feature Aurora and winter products. These media FAMs will provide an excellent opportunity for our media partners to experience the Aurora and to get our message out to our target markets.

TOTAL BUDGET $10,000

Continued

Core Marketing Program

Sales and Project Coordination

Goal:

- To coordinate innovative marketing programs that meet the needs of our key Japanese trade accounts and our local tourism operators.

Objectives:

- To work closely with our key trade and media partners and to establish partnership opportunities with NWT Tourism
- To maintain a close working relationship with the CTC office in Tokyo
- To provide a regular monthly report that outlines key insights into the Japanese market and to report on all current and upcoming marketing activities.

In July 2011, NWT Tourism secured the contract services of Mile Post Consultants as our Japanese market representatives. Mile Post Consultants has a solid background in tourism promotion and have already made a significant impact. Their Marketing Director, Naohiro Fukawa, recently visited the Northwest Territories and experienced some of our product first hand. Upon returning to Japan, Naohiro began working on several projects and has secured over $35,000 of sponsorship funding for the upcoming 2011 Aurora Week event. Mile Post Consultants will coordinate all marketing activities in Japan including coordinating print and web media buys, managing enquiries, making sales calls to the travel trade and coordinating the Aurora week event. Mile Post Consultants will provide regular activity reports to NWT Tourism so we can monitor their marketing activities and assess the ROI.

TOTAL BUDGET $50,000

SUMMARY OF ASIA PACIFIC BUDGET

	2011/2012	2012/2013
Advertising and Promotion	$ 60,000	$ 60,000
Trade Shows		
Showcase	$ 15,000	$ 15,000
CITAP	$ 3,500	$ 3,500
Trade FAMS	$ 15,000	$ 15,000
Media FAMS	$ 10,000	$ 10,000
Project Coordination/Support Activities	$ 50,000	$ 50,000
	$ 153,500	**$ 153,500**

Call Centre

The call centre plays one of the most important roles in the NWTT marketing campaign. It is the front line that manages all of the information requests and tracks the relative success of our marketing initiatives. As per the funding agreement with ITI, the call centre budget has been set at $100,000.

The call centre program is broken down into the following components:

- Mail Delivery
- Service Supplies
- Telephones
- Upgrades to System

MAIL DELIVERY

Fulfillment plays one of the most important roles in the NWT marketing campaign. Following each of our extensive marketing campaigns the fulfillment department is busy completing the information requests for consumers. NWT advertising is heaviest in the fourth quarter of each fiscal year and fulfillment is extremely busy between the months of January and March.

TOTAL BUDGET $25,000

MAIL DELIVERY CONTRACT

For the past two years, NWT Tourism has enlisted the services of a fulfillment house in the greater Vancouver area to process individual mail requests. As our guides are printed in the south, this has decreased our shipping and mailing costs and guides are delivered much more quickly to our consumers. NWT Tourism receives a monthly shipping report that breaks down the status of each shipment and an inventory of guides that remain on hand.

Continued

Call Centre

To streamline the process even further, NWT Tourism will utilize the services of Denkzauber to coordinate the shipping of any fulfillment requests from Europe. We will also coordinate the distribution of the Aurora Guide book to our Japanese wholesalers through the services of the CTC or a project coordinator.

TOTAL BUDGET $25,000

BULK SHIPPING

In late 2008-2009, NWT Tourism established a new shipping point for bulk orders of NWTT guides. A warehouse in Manitoba ships our bulk orders from their location in central Canada which has many positive results. These bulk orders are large quantities of boxes and pallets of NWT Tourism guides that previously would have been shipped to Yellowknife at great expense and then shipped out from the NWT Tourism office at an additional expense once a request had been made for the guides. The cost savings in paying a monthly storage fee for the warehouse and shipping within southern Canada has benefitted NWT Tourism through large shipping cost savings, as well as a decreased need for storage space, decreased NWTT staff time and the increased speed at which guides reach their destination.

TOTAL BUDGET $25,000

POSTAGE FEES

Each year NWT Tourism ships 20,000 pieces of mail, the majority of which are travel guides. NWT Tourism has an account with the fulfillment house to cover the Canada Post costs of individual mailings.

TOTAL BUDGET $40,000

Continued

Call Centre

TELEPHONE

The toll-free line brings in approximately 2000 calls annually that are directly related to tourism in the Northwest Territories. In the months when travellers are starting to plan their vacations, September-March, the enquirer talks to a tourism counselor for an average of 2.5 minutes. During this period, most enquirers request NWT tourism literature/guides and do not yet know much about our NWT tourism product. Closer to the camping/RV season, April-July, callers are more informed prior to calling and have more numerous and detailed questions. As a result, the average call time increases to 5.5 minutes. The majority of calls during this period consist mainly of questions requiring the tour counselors' time and do not result in the mailing of tourism guides.

TOTAL BUDGET $5,000

UPGRADES TO SYSTEM

Upgrades to the system include ongoing service to our toll free phone system and additional developments to our fulfillment database which tracks enquiries. Further work is required on the system's report generating capabilities, but development costs will be limited this year to a few thousand dollars.

TOTAL BUDGET $5,000

SUMMARY OF CALL CENTRE BUDGET

	2011/2012	2012/2013
Mail Delivery Contract	$ 25,000	$ 25,000
Bulk Shipping	$ 25,000	$ 25,000
Postage Fees	$ 40,000	$ 40,000
Telephone	$ 5,000	$ 5,000
Upgrades to Fulfillment Data Base	$ 5,000	$ 5,000
	$ 100,000	**$ 100,000**

Expanded Marketing Program

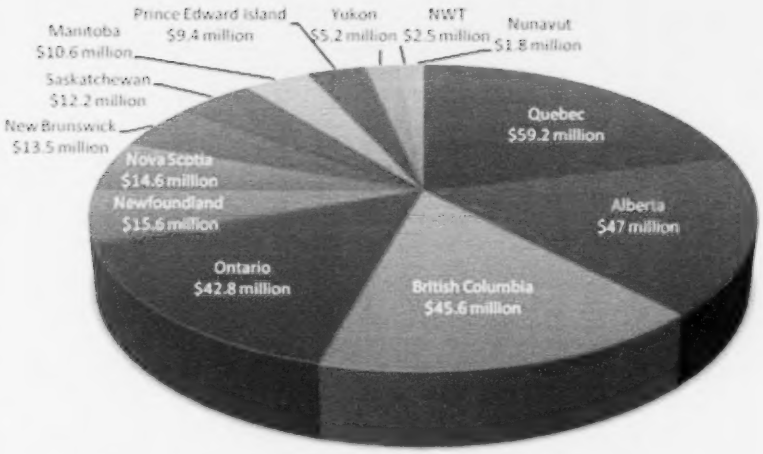
For the past five years, NWT Tourism has been operating with a core marketing budget of $1.6 million. In addition to the core marketing budget, NWT Tourism has been able to secure additional marketing dollars through funding programs such as the INAC/CanNor industry and investment program and the Government of the Northwest Territories' Product Diversification program. INAC/CanNor contributions ranged from $250,000 - $650,000 per year, with the larger contributions coming in the earlier years of the program. While these additional funds have helped NWT Tourism to carry out a number of key marketing initiatives these funding programs no longer exist, or have proven to be difficult to access.

Operating with an annual core marketing budget of $1.6 million is proving to be very challenging, especially as inflationary costs have resulted in our advertising dollars going less far than they did in the past. With the recent reduction of CanNor funding, we are left with an advertising campaign that is not keeping pace with our key competitors.

A recent scan of marketing budgets for each of the provinces and territories shows that NWT Tourism has the second lowest tourism marketing budget ($2.5 million, this includes $900,000 for administration) of any of the regions across Canada, and noticeably smaller than the $5.2 million dollar marketing budget of the Yukon. At $59.2 million Quebec has the largest marketing budget, followed by Alberta at $47 million, British Columbia at $45.6 million and Ontario at $42.8 million. At $15.6 million the marketing budget for the province of Newfoundland and Labrador is equally impressive and has enabled them to partake in some prominent marketing campaigns on a consistent basis.

Continued

Expanded Marketing Program



'note that all marketing budgets depicted in the pie chart include admin/salary costs

CURRENT CHALLENGES

With the current marketing budget of $1.6 million NWT Tourism is unable to maintain a consistent presence in the marketplace. The current budget is insufficient to expand market share and is not generating the anticipated results. In most cases we are not able to afford to buy into international marketing campaigns that are presented by the CTC and are limited in the number of trade and media Familiarization (FAM) tours that we can host each year. As a result, we are starting to see some serious losses of market share to our key competitors.

However, we are confident that if we can receive an increase in marketing funds that would allow us to increase our consumer and trade marketing initiatives, have an active presence in the CTC international marketing campaigns and expand our trade and media FAM promotions, we can regain market share.

Continued

Expanded Marketing Program

As mentioned previously, there are many factors such as economic conditions, air capacity, visa/passport requirements, hunting regulations, natural disasters and pandemics that have impacted visitor numbers and visitor spending in the NWT over the past decade. All of these issues are beyond our control and often there is little that can be done to lessen the negative impact. Taking each of these factors into consideration, we also believe there has been a direct correlation between visitors and visitor spending and the amount of marketing dollars that NWT Tourism has had to work with each year.

In 2006, NWT Tourism received $650,000 from INAC (now known as CanNor) to carry out a number of marketing initiatives including building general awareness, revitalizing hunting and fishing, expanding our Aurora promotions to include North America and to build an interactive website. The funding agreement with INAC was for three years, with $600,000 being provided to NWT Tourism for both the second and third years of the program. With this funding, NWT Tourism carried out a number of innovative print and online campaigns that proved to be very successful. In the first year of the program visitor revenues increased from $120.8 million in 2005/06 to $140.4 million in 2006/07. While visitor revenues the next year declined by $2.5 million in 2007/08 ($137.9 million) and a further $7.4 million in 2008/09 ($130.5 million) we believe these declines were the result of changes to hunting regulations and a declining (aging) fishing sector and not a result of our marketing efforts.

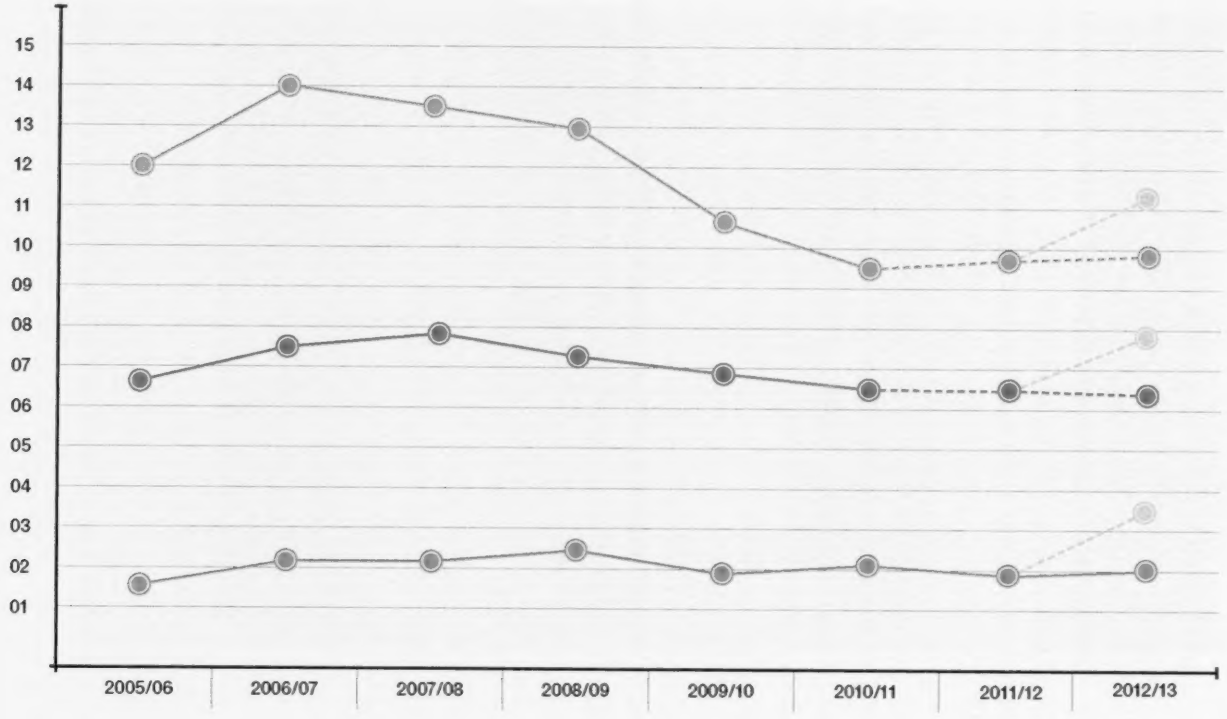
In 2008 ITI introduced the newly developed Product Diversification Program that was established to help the local tourism industry offset the declines of the sport hunting and sport fishing sector. NWT Tourism has benefited greatly from this program over the years as these funds have been used to develop promotional materials for the new products that have been developed as a result of the program. Of particular benefit were the cooperative marketing initiatives that NWT Tourism was able to participate in with the CTC and a number of our key travel trade partners.

In the 2009/10 fiscal year the INAC/CanNor and Product Diversification funding was reduced by $565,000 making the total NWT Tourism marketing budget $1,875,545. The year previous the budget was at its highest at a total of $2,440,545. Subsequently, visitors spending reduced from $130.5 million in 2008/09 to $107.6 million. While there were a number of factors that have contributed to this significant decrease, including the collapse of the American economy, the reduction of the NWT marketing budget limited our ability to pursue other markets that may have helped us to offset some of this decline in visitor spending.

Continued

Expanded Marketing Program

The following graph outlines the relationship between NWT Tourism marketing budgets and visitor revenues.



Continued

Expanded Marketing Program

The other significant challenge faced is the unpredictability of additional funding received through programs such as CanNor. While NWT Tourism is most grateful for the funding we receive from other sources such as the Federal government, the funding often comes late in the year, and often with little notice. As a result, we are not able to develop and execute marketing plans that achieve the maximum return on investment, nor are we able to provide sufficient notice to our local tourism operators about the cooperative advertising opportunities that are available to them. Having a larger marketing budget would allow NWT Tourism to prepare a thorough advertising plan and present the cooperative opportunities to our industry partners well in advance.

OPPORTUNITIES TO LEVERAGE FUNDS

With an increased marketing budget NWT Tourism will have the ability to leverage the GNWT funding through a variety of traditional and non-traditional partners. Under the current advertising budget NWT Tourism leverages approximately $ 100,000 a year through cooperative advertising campaigns. Approximately $ 25,000 is leveraged through our local operators, while the remaining $ 75,000 is generated through the CTC and larger partners such as Air Canada. With the expanded marketing program we would be able to offer a considerably larger number of cooperative buy-in opportunities and expect we could almost double the amount of cooperative revenue we generate.

In addition to the cooperative revenue, the expanded marketing dollars would enable NWT Tourism to establish some key marketing partnerships with a number of non-traditional partners. These partners might include banks (offer NWT trips for new accounts, with advertising posters in all bank branches) clothing and sports gear manufacturers and retailers such as Mountain Equipment Co-op, Canada Goose, or food manufacturers.

ACCOUNTABILITIES

As NWT Tourism continues to grow as an organization, greater care and attention has been made to ensure that we assess each of our marketing initiatives. The NWT Tourism Call Centre staff monitor all enquiries and report the results each month. Also, all media is monitored to assess the value of media stories that have been written, particularly when

Continued

Expanded Marketing Program

NWT Tourism (and our local operators) cover the costs of hosting the journalists on a familiarization (FAM) tour.

All marketing and sales representatives that work on behalf of NWT Tourism (North America, Germany, Japan) are required to provide regular reports of their marketing/sales activities and to assess their ROI. NWT Tourism has also begun to follow up with all travel trade and media who participate on FAM tours to ensure that NWT Tourism and all of the local tourism operators who hosted the trade and media provided the best possible experience.

NWT Tourism is proud of the all of the great initiatives that we have been able to accomplish with the funding we have received from the GNWT and other sources. We have worked hard to maximize our marketing budget to receive the best possible ROI.

In recent years NWT Tourism has strengthened our partnerships with a number of key players within the tourism industry. We are working closely with the CTC head office and their international teams and have benefitted greatly from their marketing expertise and cooperative marketing initiatives. We have also been able to leverage funding through a number of federal and pan-territorial initiatives and our local DMOs and regional governments. We have also been able to expand our cooperative marketing programs through buy-ins from our local operators. With an expanded marketing program we could leverage additional funding from these traditional sources and have the ability to pursue non-traditional partnerships such as with outdoor equipment retailers, bottled water companies, etc.

Following are a series of marketing activities that we propose based on an expanded budget of $1 million. NWT Tourism is confident that if we were to receive these additional marketing funds that we could carry out these marketing initiatives with the same care and attention as the core program and would monitor the results closely to ensure that we receive the best possible ROI. A list of targets is set out in the Performance Measures section of the plan that can be located on page 84 that will outline the anticipated results of the expanded marketing budget compared to the current budget.

Continued

Expanded Marketing Program

North America

The expanded marketing budget looks at increasing the North American budget in three specific sections. These include advertising and promotion, media promotions and trade promotions. The budgets for brand essentials, meeting and incentive travel and project coordination would remain the same.

Advertising and Promotion

The advertising and promotion budget covers two specific areas. These include the integrated advertising campaign and a new item called special events.

INTEGRATED ADVERTISING CAMPAIGN

The integrated advertising campaign will build off of and follow the current plan laid out in the core program. The advertising breakdown will include 40% print ($360,000), 50% interactive ($450,000) and 10% promotional advertising ($90,000). The additional funds will be used to create more cooperative advertising campaigns that will allow our local tourism operators to participate at an affordable rate. Marketing campaigns will be chosen based on the ability to reach our target audience (Ontario, Alberta, British Columbia and Saskatchewan).

Media with a large national readership such as the Globe and Mail will be given preference as it has proven successful in the past. Niche publications such as *Just for Canadian Doctors* or *Astronomy* will also be considered. With an expanded budget, NWT Tourism would be able to maintain a longer top of mind presence in the market and to provide more cooperative marketing opportunities to our local tourism operators.

For the past several years NWT Tourism has run a seven to eight week campaign in the Globe and Mail with additional funding help from CanNor and offered 10 – 15 other opportunities for cooperative buy ins. With an expanded interactive advertising budget we could possibly run two separate Globe and Mail campaigns and double the number of cooperative marketing opportunities for our local operators.

CURRENT BUDGET $450,000 – PROPOSED BUDGET $900,000

Continued

Expanded Marketing Program

DIGITAL – SOCIAL MEDIA CAMPAIGN

As social media continues to grow in popularity NWT Tourism must increase our presence in this market if we are to stay competitive. NWT Tourism currently has a minimal presence in social media with several Twitter accounts, a newly established Facebook account and a number of YouTube clips. To take advantage of the social media phenomenon we are suggesting the use of a series of short videos that are seeded to a range of sites and blogs worldwide. This seeding is handled by companies that specialize in this type of placement and can guarantee 100,000 unique, qualified visits to the NWT Tourism website in just a few weeks.

Digital advertising would also include building a much larger following on the NWT Tourism Twitter accounts – spectacularnwt, nwtfishing, nwtbusiness and nwtaurora, expanding the use of QR codes, and setting up a number of mini mobile sites for contests, special promotions and new product launches.

A major component of digital marketing is the constant updating and refreshing of material on the spectacularnwt.com website and creating innovative landing pages that will capture the attention of the consumer. These specialized landing pages would also be used as a way to track the effectiveness of our marketing campaigns. Other social media programs including blogs, Linked In, and new digital media programs/websites that no doubt will be established will constantly be assessed to determine the fit for our marketing goals and objectives. The idea is to build communities of people interested in the Northwest Territories and its tourism and related products. All of this would enable NWT Tourism to maintain a fresh look and to remain current and relevant to our key target markets.

CURRENT BUDGET $0 – PROPOSED BUDGET $150,000

Continued

Expanded Marketing Program

SPECIAL EVENTS

Special events are a great way to build general destination awareness and to increase the number of visitors to and visitor spending in the NWT. The events held at Northern House during the Olympics were a prime example of this as NWT Tourism received a large number of information requests that could be directly linked to that event. Many travellers to the NWT indicated that they were inspired to travel north as a result of visiting Northern House.

NWT Tourism has recently been approached by the marketing team at Canada Place about the possibility of staging a larger scale event at their facility. Located in downtown Vancouver, next to the cruise ship terminal, Canada Place is an excellent venue to attract potential visitors to the NWT. A special NWT specific event could feature Aboriginal art and culture, our amazing outdoor adventure products and the Aurora. The marketing team at Canada Place has suggested that if we were to host an event there (one week to one month) they would be willing to change the iconic sails of the Vancouver Convention Centre to the colours of the Aurora.

NWT Tourism also has the opportunity to host other smaller scale events such as an exclusive NWT show in Edmonton, Toronto or Calgary. These events would put the NWT and our local operators front and centre with our key target audience. Unlike the current consumer shows NWT Tourism attends, we would have a specific list of people who attended the event and would be able to follow up with them at a later date to determine the rate of conversion.

CURRENT BUDGET $0 – PROPOSED BUDGET $115,000

Continued

Expanded Marketing Program

Media Promotions

The expanded media promotions budget also covers two specific areas. These include media FAMs and support activities.

FAM TOURS

Each year NWT Tourism hosts 15 – 20 travel writers from North America on Familiarization (FAM) tours. Over time our organization has become quite proficient at recognizing the journalists with the best potential for being able to produce quality print/web/television/radio and social media segments that have provided excellent media exposure for the NWT. Each year NWT Tourism invests $40,000 in Media FAM expenses which generate over $1.5 million in earned media (media value is calculated by the equivalent cost to place an ad on the same print/web/television spot).

Unfortunately, we are oversubscribed with applications from quality travel media who would like to experience the NWT as part of a FAM tour. By expanding our marketing budget we would be able to increase the number of qualified travel media who participate in our FAM tour program, which would undoubtedly result in a significant increase in the value of our earned media.

CURRENT BUDGET $40,000 – PROPOSED BUDGET $70,000

SUPPORT ACTIVITIES

The current support activities budget covers the costs of media monitoring services, the management of video and photo requests and the purchase of new photography and video for our advertising promotions. About 50% of the budget ($15,000) is allocated for monitoring and administrative services, and the balance is used to purchase new photos and videos.

As the amount of media coverage would increase substantially, the cost of the media monitoring services could increase by several thousand dollars. Normally NWT Tourism pays $3,500 as a base cost for the monitoring services, and an additional $1,000 for clipping services for the entire year. However, this year a cost of $10,000 for the

Continued

Expanded Marketing Program

clipping service was incurred to date as a result of the 4,000 plus articles compiled during the two week period of the Royal Visit. As the monitoring service is the only reliable way to monitor return on investment, it is well worth the additional costs.

The remainder of the expanded support activities budget would be used to increase the photography and video budget. Much of the photography and video that NWT Tourism has is outdated. In order to keep our brand and the marketing of our key icons fresh and vibrant it is important to keep adding new photos and videos to our collection.
CURRENT BUDGET $30,000 – PROPOSED BUDGET $50,000

Trade Promotions

The expanded trade promotions budget includes resource/support activities, cooperative marketing initiatives with the travel trade, expansion of the FAM tour program and a special RVC promotion.

RESOURCE/SUPPORT ACTIVITIES

As part of the core resource/support activities budget, NWT Tourism produces a number of promotional materials that are utilized by our sales team to promote all of our market-ready packages. These include an NWT Tour Planner, new product bulletins and individual flat sheets for each of our market-ready operators who are interested in working with the travel trade. As more NWT market-ready operators come forward there will be a marginal cost involved in producing additional flat sheets.
CURRENT BUDGET $27,000 – PROPOSED BUDGET $30,000

COOPERATIVE MARKETING WITH TRAVEL TRADE

For a number of years, NWT Tourism has been providing cooperative support activities to a number of our overseas tour operators, particularly in the German-speaking market. Initially this consisted of providing funding support to the tour operators to carry NWT product in their guidebook/tariff. After analyzing the situation we felt that it was not the best return on investment as the tour operator had little invested and most lacked the motivation to sell the NWT.

Continued

Expanded Marketing Program

Learning from this, NWT Tourism has moved away from this format, and instead we are only providing funding for cooperative marketing initiatives where the tour operator is making a substantial investment in the marketing of the NWT product as well. This has proven to be highly effective and we are now seeing a noticeable rise in trade bookings. To date we have not provided this same opportunity to the travel trade that are working out of North America. Our first order of business would be to approach the key receptive tour operators including Jonview, Discover Holidays, JAC, H.I.S. and JTB (Vancouver office) to discuss ideas they have for potential cooperative advertising initiatives that promote NWT Tourism packages. The NWT Tourism sales manager for North America would coordinate all cooperative marketing initiatives with the travel trade and ensure that detailed reports are submitted after the promotions so that NWT Tourism can assess the return on investment.

CURRENT BUDGET $0 – PROPOSED BUDGET $20,000

FAM TOURS

NWT Tourism currently hosts one travel trade FAM tour for the North American market each year. As we continue to develop more market-ready products it is important that we provide our key travel trade accounts with the opportunity to experience the product first hand. This year we hosted Routes to Learning (formerly Elderhostel) on a FAM that covered Yellowknife, Norman Wells, Inuvik and Tuktoyaktuk. The representative from Routes to Learning was so impressed that it resulted in bookings for two groups of 24 people for next summer.

An expanded marketing budget would allow us to increase the number of FAM tours to two or three per year. The main focal point at the start would be to ensure that the key receptive operators such as Jonview, Discover Holidays and JAC participated in these FAMs. This would result in more NWT products picked up by the travel trade.

CURRENT BUDGET $13,000 – PROPOSED BUDGET $40,000

Continued

Expanded Marketing Program

SPECIAL TRADE PROMOTION

With additional funds for an expanded marketing budget, NWT Tourism would be able to attract the attention of the travel trade through a special hospitality night that would occur on the "free night" during Rendez-vous Canada (RVC). NWT Tourism would invite a select group of key tour operators from North America and our key overseas markets. The hospitality night would provide NWT Tourism and our local market-ready tourism operators with an opportunity to showcase our products and to forge some solid working relationships with the travel trade.

In all likelihood, this would result in more tour operators actively selling NWT tourism products. Other travel destinations and hotel associations have hosted hospitality nights in the past and have found it to be very successful. Assessing the various opportunities, hosting a hospitality night would cost approximately the same as hosting a luncheon at RVC, yet the hospitality night likely has a much greater potential for a return on investment.

CURRENT BUDGET $0 – PROPOSED BUDGET $25,000

Project Coordination

RESEARCH

With an expanded marketing budget, it is also important that these new marketing initiatives are evaluated to ensure they are achieving the desired results. While NWT Tourism will be able to set up a number of measures such as enquires, website visits, tour operator bookings and media coverage, it will be important to utilize more formal research to determine the success of our marketing initiatives. Working in partnership with the research department at ITI, a number of research activities would be set in place that would help us achieve this goal. Some of the key research activities we would like to accomplish this year include market segmentation and a brand recognition study of our key icons that we are using inmarket. NWT Tourism will also be looking to CanNor for funding to see if we can expand our research activities.

CURRENT BUDGET $32,000 – PROPOSED BUDGET $82,000

Continued

Expanded Marketing Program

Europe

The expanded marketing plan looks at increasing the European budget in a number of areas. These include advertising and promotion, trade shows, trade FAMs, media FAMs and project coordination.

ADVERTISING AND PROMOTION

The current advertising budget in the core marketing budget is $60,000. Although this is not a large amount, we have been able to undertake a number of key advertising activities. These have included developing a basic German-language website, placing a few smaller print and web ads, developing a social media site on Facebook and supporting several German tour operators in cooperative marketing initiatives.

NWT Tourism is extremely pleased with our return on investment to date, especially with the cooperative marketing campaigns. NWT Tourism invested approximately $7,000 for a promotional campaign with CANUSA, a key tour operator out of Hamburg. The premise of the campaign was that any of their clients that rented an RV out of Whitehorse would be provided with a $100 prepaid visa (one visa per vehicle) courtesy of NWT Tourism if they drove the Dempster Highway to Inuvik and presented a special voucher at the Western Arctic Visitor Centre. The campaign resulted in approximately 100 additional people from Germany visiting the NWT.

Unfortunately, with a budget of $60,000 we are limited in the number of cooperative marketing initiatives we can support and we are also unable to participate in any of the larger consumer driven advertising campaigns that are led by the CTC. An advertising campaign offered by the CTC typically starts with entry level buy in of $50,000. One campaign such as this would use up most of our advertising budget, and leave little funding to maintain our German-language website or to provide cooperative marketing opportunities to our key accounts.

Our inability to participate in the CTC advertising campaigns means that we are missing out on the opportunity to build awareness of the NWT as a premier tourism

Continued

Expanded Marketing Program

destination for the European market, and are losing out on potential market share to our key competitors such as the Yukon. An expanded marketing budget would allow us participate in one or two key CTC advertising campaigns and still maintain a number of key marketing initiatives on our own that would support the tour operators who are interested in selling the NWT.

Finally, with an expanded advertising budget we would be able to work with a few of the key tour operators out of Germany and Switzerland to market the proposed direct flight from Zurich to Yellowknife. Edelweiss Air (a subsidiary of Swiss Air) has been in negotiations with the Government of the NWT to set up a direct flight. Negotiations have been ongoing and there is optimism that two test flights will take place in September of 2012. In order to increase the chances of the flights being successful, it will be essential that NWT Tourism provide some level of cooperative marketing support to the tour companies that will promote the flight.

CURRENT BUDGET $60,000 – PROPOSED BUDGET $150,000

TRADE SHOWS

As part of the core marketing program, NWT Tourism attends the trade show ITB. With an expanded marketing budget, NWT Tourism would be able to attend an additional trade show/event in Germany. As the show would be smaller in nature, NWT Tourism would only send our representative from Germany, thus reducing travel costs. By attending another trade event, NWT Tourism will keep top of mind presence with the German tour operators.

CURRENT BUDGET $16,000 – PROPOSED BUDGET $21,000

TRADE FAMS

NWT Tourism hosts one trade FAM from Europe each year. For the past few years this has always been a group from Germany. These FAMs are typically done in partnership with the CTC, who pay for travel costs from the country of origin (in this case Germany) to the NWT. The size of the group is usually limited to four to five people to ensure that we remain on budget.

Continued

Expanded Marketing Program

For the past two years the FAM tours from Germany have been very successful. The tour operators from Germany have experienced a wide range of NWT product and are now starting to develop new packages that they are selling to their clients. With all the new market-ready products that have come out of the Product Diversification Program, these FAM tours are moving away from destination awareness missions and shifting into sales opportunities.

An expanded marketing budget would provide NWT Tourism with the opportunity to add one or two additional FAM tours. With the exposure of the Royal Visit, hosting several key tour operators from the UK market would be a perfect opportunity to capitalize on recent exposure and to increase visitors to the NWT from that market.
CURRENT BUDGET $15,000 – PROPOSED BUDGET $30,000

MEDIA FAMS
Similar to the travel trade market, NWT Tourism hosts one FAM tour annually from Europe. For the past few years they have all been from Germany. This year four journalists from Germany participated in a FAM tour that covered Yellowknife, Fort Simpson, the Nahanni, Fort Providence and Hay River. The journalists were extremely impressed with the NWT and, to our amazement, wrote travel articles that have been published in several key German newspapers within days of the FAM tour taking place- normally it takes several months to several years for a story to be published.

An expanded marketing budget would allow NWT Tourism to host one or two additional media FAMs each year. Journalists from the UK and Switzerland would also be a good option as these markets are a good fit for us. We are currently receiving FAM tour requests from the CTC UK office that we have to turn down.

By carefully assessing journalists before selecting the FAM tours, we can anticipate that additional media FAMs would significantly increase the media exposure that the NWT is currently receiving.
CURRENT BUDGET $10,000 – PROPOSED BUDGET $30,000

Continued

Expanded Marketing Program

PROJECT COORDINATION

If an expanded advertising budget for Europe is approved it is only natural that the administration costs would go up slightly. The dedicated marketing/sales person in Germany that has been in place this past year has brought a number of great results. The awareness of and interest in the NWT has risen significantly and tour operators who were not interested in the NWT in the past are now actively selling our destination. The detailed reporting that has come out of our German office has been exceptional. It has given NWT Tourism great insight into the market and has helped to determine the marketing initiatives with the best return on investment. As the number of marketing initiatives expand, it is imperative that project management and the same attention to reporting details are maintained.

CURRENT BUDGET $50,000 – PROPOSED BUDGET $60,000

Asia Pacific

The expanded marketing plan also looks at increasing the Asia-Pacific budget in a number of areas. These include advertising and promotion, trade FAMs, media FAMs and project coordination.

ADVERTISING AND PROMOTION

Similar to the European budget, the current Asia-Pacific advertising and promotion budget is $60,000. The majority of the budget is allocated to a special Aurora Week event ($40,000), with the remaining budget of $20,000 spent on a newsletter campaign, a small amount of print and web advertising and sales calls to the various tour operators in the Tokyo area.

Unfortunately, we are financially unable to participate in any of the CTC marketing initiatives and, as a result, we are starting to lose market share to some of our key competitors including the Yukon. In a recent call between NWT Tourism and the Managing Director of the CTC Japan office, a special marketing concept called Team Canada was discussed. The idea behind Team Canada is that all of the participating

Continued

Expanded Marketing Program

Destination Marketing Organizations (DMOs) come together as a united front to market Canada to the Japanese. Joint marketing activities would include print, web and social media advertising, consumer shows and travel agent training sessions. The cost to buy into the Team Canada program is $25,000 - $35,000.

With an expanded marketing budget, NWT Tourism would also engage in a number of other key marketing initiatives. These would include some print and web advertising and the development of a Japanese-language website. The website would include several pages that feature information on our key iconic products and our local tourism operators who provide these products and services. Although Aurora (primarily Yellowknife) is the main area of interest for the Asia-Pacific market, a concerted effort will be made to promote the other products and regions of the NWT.

Lastly, the expanded marketing program would provide cooperative marketing opportunities for travel trade who have the interest and ability to sell the NWT. With the Chinese market on the rise and avid interest from some key travel trade accounts in Japan, Korea, and Australia, there is a great opportunity to increase sales from each of these destinations. NWT Tourism would assess each cooperative marketing opportunity on an individual basis to ensure the best possible prospects and insist that any operator receiving marketing funds from the NWT provides a detailed report at the end of the campaign.

CURRENT BUDGET $60,000 – PROPOSED BUDGET $180,000

TRADE FAMS

NWT Tourism currently hosts two to three trade FAMs each year. This has traditionally been with the support of the CTC and Air Canada. All FAM tours have centred around Yellowknife and the Aurora market. An expanded marketing budget would provide NWT Tourism with the opportunity to add one or two additional FAM tours. With the recent growth in the Chinese market, this is an opportunity to host a FAM from China.

Continued

Expanded Marketing Program

An increased FAM tour budget would also allow our FAM tours to expand to other regions of the NWT and to highlight more of our exceptional products and not just the Aurora.

CURRENT BUDGET $15,000 – PROPOSED BUDGET $30,000

MEDIA FAMS

NWT Tourism currently hosts one to two media FAMs each year. As with the trade program, all FAMs have been in winter and focus on the Aurora market. FAM participants have traditionally been from Japan and Korea. An expanded marketing budget would provide NWT Tourism with the opportunity to add one or two additional FAM tours. Again we would look at other markets from the Asia-Pacific region and look to expand the tours to include regions outside of Yellowknife.

CURRENT BUDGET $10,000 – PROPOSED BUDGET $30,000

PROJECT COORDINATION

As is the case with our marketing efforts in Germany, having a dedicated marketing/sales person in Japan is proving to be a key factor to success for NWT Tourism. We are now able to maintain a greater presence in the market, and the creativity and resourcefulness of the advertising agency that is representing us has created many new opportunities for us.

The communication, detailed reporting and the commitment to the success of our marketing efforts in Japan has been exceptional. We are in a much better position to grow this market and to expand our product outside of Yellowknife. As the number of marketing initiatives in Japan expands, it will require more coordination on behalf of our marketing representative to ensure we achieve the best results possible.

CURRENT BUDGET $50,000 – PROPOSED BUDGET $60,000

Continued

Expanded Marketing Program

CALL CENTRE

The expansion of the call centre budget would be limited to the addition of a special web application.

CALL CENTRE CHAT APPLICATION

In recent years there has been a noticeable shift in the types of enquiries that our call centre receives in response to the advertising that we send out. When NWT Tourism first took over the role of marketing the NWT, well over 80% of enquiries came in via the telephone. In recent years the trend has shifted toward far more website enquiries than telephone.

To keep in line with this new trend, NWT Tourism is proposing that a chat interface/ application is made available on our website so that consumers can converse with a travel counselor in chat mode rather than by phone. We believe this will remove a barrier for people not wanting to call in, yet who would like more immediate information on the NWT. The cost to set up this service would be minimal.

CURRENT BUDGET $0 – PROPOSED BUDGET $5,000

Continued

Expanded Marketing Program

SUMMARY BUDGET 2012-13 (INCLUDING EXPANSION)

	2012/13 Proposed	2012/13 with Expanded funding	Increase
NORTH AMERICA			
Brand Essentials	$250,000	$250,000	$0
Advertising and Promotion	$525,000	$1,240,000	$715,000
Meeting and Incentive Travel	$117,500	$117,500	$0
Media Promotions	$88,000	$138,000	$50,000
Trade Promotions	$95,000	$170,000	$75,000
Project Coordination	$124,545	$174,545	$50,000
Total North America	**$1,200,545**	**$2,090,045**	**$890,000**
EUROPE			
Advertising and Promotion	$60,000	$150,000	$90,000
Trade Shows	$ 16,000	$21,000	$5,000
Trade FAMs	$15,000	$30,000	$15,000
Media FAMs	$10,000	$30,000	$20,000
Project Coordination	$50,000	$60,000	$10,000
Total Europe	**$151,000**	**$291,000**	**$140,000**
ASIA-PACIFIC			
Advertising and Promotion	$60,000	$180,000	$120,000
Trade Shows	$18,500	$18,500	$0
Trade FAMs	$15,000	$30,000	$15,000
Media FAMs	$10,000	$30,000	$20,000
Project Coordination	$50,000	$60,000	$10,000
Total Asia-Pacific	**$153,500**	**$318,500**	**$165,000**
CALL CENTRE	**$100,000**	**$105,000**	**$5,000**
TOTAL NORTH AMERICA	**$1,604,545**	**$2,804,545**	**$1,200,000**

Performance Measures

In order to asses if NWT Tourism has achieved the goals and objectives that have been set out in the marketing plan, a series of performance measures have been established. All performance measures will be assessed at the end of each quarter, and a written report will be submitted to ITI, TMAC and the NWT Tourism Board of Directors. As part of the final report a breakdown of the total budget will be presented that will include spending by icon, product and advertising medium.

In July/August of 2012 NWT Tourism will meet with TMAC and make a formal presentation on our marketing activities. This will include a review of the 2011/12 marketing plan and well as an overview of the first few months of activities carried out under the current marketing plan. If the icon images study has been completed at this time, the results of the study will also be included in the presentation.

**2011/12 Target/Actual numbers are based on information gathered to end of second quarter (September 2011), actual numbers will be updated in the plan at the end of the fiscal year.*

	2011/12 *Target/Actual	**2012/13** Target based on existing budget	**2012/13** Target based on expanded budget
NORTH AMERICA			
Brand Essentials **Goal:** To increase awareness and interest in the NWT within our key markets			
Objectives:			
• To distribute 50,000 copies of the Explorers' Guide	45,000 plus 5,000 downloads	45,000 plus 5,000 downloads	45,000 plus 10,000 downloads
• To distribute 10,000 hunting brochures	10,000	10,000	10,000
• To increase page views/average length of stay on our website	5.13 minutes	5.20 minutes	6.0 minutes
• To increase the number of subscribers to our e-NWT newsletter by 10%	15,000	16,500	18,000
Advertising and Promotion **Goal:** To increase traffic to our Explorers' Guide, website and social media sites with the end goal of linking directly to our local operators			
Objectives:			
• To generate 3 million impressions through our advertising campaigns	500,000	2 Million	4 Million
• To increase the number of enquiries to the Call Centre by 10%	7,839	8,625	9,400
• To increase unique website visitors to our website by 15%	150,000	165,000	198,000
• To increase number of followers on Twitter accounts by 20%	4,000	4,800	5,600

Continued

Performance Measures

	2011/12 *Target/Actual	2012/13 Target based on existing budget	2012/13 Target based on expanded budget
• To establish a baseline on our newly developed Facebook account	Will set on March 31	20% increase	35% increase
• To increase the number of cooperative marketing activities that are available to our local tourism operators	15	20	30
• To increase the number of jump offs from the NWT Tourism website to our local operator websites by 10%	56,198	61,800	67,400
Consumer Shows **Goal:** To increase enquiries from Consumer Shows			
Objectives:			
• To increase operator bookings, build sponsorship, and increase enquiries	Will set on March 31	10% increase	20% increase
Business Travel **Goal:** To increase business travel revenues by attracting new meetings and conventions and to encourage business travellers to partake in tourism based activities			
Objectives:			
• To expand the NWT meeting planner to include additional communities	4 communities	6 communities	6 communities
• To promote the NWT at 3 MCIT shows	2 shows	3 shows	3 shows
• To develop database of meeting and convention planners	To be set in April 2012		
• To communicate to meeting planners through e-promotions	Not being done	2 updates	3 updates
• To make specific sales calls to key meeting and conference planners	Not being done	20 sales calls	30 sales calls
• To host 2 MCIT FAM tours	1 FAM	2 FAMs	2 FAMs
• To attract 5 new conventions to the NWT	Not measured	5 conventions	8 conventions
• To expand our mobile website to specifically target the business traveller	Yellowknife	Inuvik, Hay River	Normans Wells, Ft. Simpson, Ft. Smith

Continued

Performance Measures

	2011/12 *Target/Actual	2012/13 Target based on existing budget	2012/13 Target based on expanded budget
Media Promotions **Goal:** To generate over $2 million worth of media coverage within our key geographic markets			
Objectives:			
• To meet with 25 – 30 journalists at Go Media Marketplace	30	30	30
• To host 8 – 10 media FAMs	10	10	20
• To increase operator participation in media FAMs	30	35	40
• To acquire 500 new high resolution images/videos for future promotions	1000 photos 2 videos	250 photos 2 videos	500 photos 3 videos
Trade Promotions **Goal:** To increase the number of NWT products that are being promoted and sold by the travel trade			
Objectives:			
• To meet with 70 – 80 tour operators/wholesalers at RVC	70	75	80
• To host 2 Trade FAMs for key wholesalers/receptive operators	1	2	4
• To increase participation of our local tourism operators in our FAM Tour program	30	35	40
• To increase the number of operator flat sheets and listings on the Trade website	18	25	30
• To establish a database of key Travel Trade	To be done March 31		
• To send out updates on new products, itineraries, etc. to the Travel Trade	Not being done	2 times per year	4 times per year
• To make sales calls to our key trade accounts	5 sales calls	20	30
• To promote all market-ready packages to the travel trade	Done		

Continued

Performance Measures

	2011/12 *Target/Actual	2012/13 Target based on existing budget	2012/13 Target based on expanded budget
Project: Coordination **Goal:** To assess the overall effectiveness of our marketing campaigns and their value to our local operators			
Objectiives:			
• To develop a list of performance measures	Done as per marketing plan	To be completed on March 31	To be completed on March 31
• To set a baseline/target for all performance measures	To be completed on March 31	To be completed on March 31	To be completed on March 31
• To review quarterly and to report on findings to ITI and TMAC	Has been provided to ITI	Will expand reports to include TMAC	Will expand reports to include TMAC
• To increase the number of NWTT members by 10%	150	165	180
Leveraging Opportunities **Goal:** To leverage an additional $ 1 million through traditional and non-traditional partners			
Objectives:			
• To double the cooperative revenue that is generated through our local operators	$25,000	$50,000	$75,000
• To leverage multi-year funding through CanNor and other key tourism partners	$250,000	$400,000	$600,000
• To establish 3 non-traditional marketing partnerships	0	1	3

Continued

Performance Measures

	2011/12 *Target/Actual	2012/13 Target based on existing budget	2012/13 Target based on expanded budget
EUROPE			
Advertising and Promotion **Goal:** To increase consumer awareness and enquiries in our German-speaking markets			
Objectives:			
• To generate enquiries to our NWT info line that is located in Germany	180	200	240
• To increase the number of visitors to our German website by 25%	6,000	7,500	10,000
• To establish a baseline on our newly developed Facebook account	70	1,000	5,000
• To target an audience of 2 million impressions through our campaigns	1,000,000	1,500,000	2,000,000
• To increase the number of cooperative marketing opportunities that are available to our local operators	Currently 0	5 opportunities	10 opportunities

Continued

Performance Measures

	2011/12 *Target/Actual	2012/13 Target based on existing budget	2012/13 Target based on expanded budget
Trade Promotions **Goal:** To increase the number of NWT market-ready products that are being promoted and sold by the travel trade			
Objectives:			
• To meet with 25 – 30 tour operators at our key trade shows (ITB and RVC)	30	30	35
• To host 1 trade FAM for our key tour wholesalers from Germany/Switzerland	1	1	2
• To increase local tour operator participation in our FAM tour program	30	40	45
• To establish a database of key travel trade accounts	7	10	14
• To communicate to trade partners through e-news promotions (product updates, etc.)	4 newsletters per year	4 newsletters per year	4 newsletters per year
• To make sales calls to key trade accounts in Germany/Switzerland	5 sales calls	10	15
• To promote all suitable market-ready package to the travel trade	Done	15	15
Media Promotions **Goal:** To generate over $250,000 worth of media coverage in our key European markets			
• To host one media FAM	1 FAM	1 FAM	2 FAMs
• To increase participation from our local operators in our media FAM program	5	8	10
• To write 6 press releases on new products/ activities that are of interest to the German market	7	9	12
• To attend 2 CTC media meetings/promotions	1	2	2

Continued

Performance Measures

	2011/12 *Target/Actual	2012/13 Target based on existing budget	2012/13 Target based on expanded budget
Project Coordination **Goal:** To coordinate innovative marketing programs that meet the needs of our key German trade and media accounts and our local operators			
• To establish partnership opportunities between the trade and our local tourism operators	4	6	8
• To secure partner funding (i.e. CTC) for support of our marketing initiatives	10,000	12,000	14,000
• To provide a monthly report on key market insights and activities.	Done (very well)		
ASIA-PACIFIC			
Advertising and Promotion: **Goal:** To increase interest and bookings in Japan and our other key Asia-Pacific markets (Korea, China)			
Objectives:			
• To generate enquires to the info line that has been set up in Japan	200	250	300
• To set up a baseline for the number of unique visitors to the spectacularnwt.jp website	Milepost to set baseline on March 31	10%	20%
• To target an audience of over 3 million impressions through our promotional campaigns	3,000,000	3,000,000	5,000,000
• To increase the number of participants (trade, media, consumer) who attend our Aurora Week event	70 trade and media, 370 consumer	80 trade and media, 400 consumers	100 trade and media, 500 consumers
• To increase our current Aurora market-share	5,000	5,000	6,500

Continued

Performance Measures

	2011/12 *Target/Actual	2012/13 Target based on existing budget	2012/13 Target based on expanded budget
• To expand our promotions to include other products and destinations in the NWT and to encourage increased length of stay of our visitors	1 destination (Nahanni)	2 destinations (Nahanni, Hay River)	3 Destinations (Nahanni, Inuvik Region, Hay River)
• To increase the number of cooperative marketing initiatives that are available to our local tourism operators.	1 (Aurora Week)	2 (Aurora Week, website ads)	3 (Aurora Week, website ads, print ads)
Trade Promotions **Goal:** To increase the number of market-ready packages that are promoted and sold by the travel trade			
Objectives:			
• To meet with over 140 tour operators at Showcase, CITAP and RVC	140	140	140
• To host 2 trade FAMs	1	2	4
• To increase participation of our local operators in our FAM tour program	5 operators	10 operators	15 operators
• To establish a database of key travel trade accounts	To be set March 31		
• To send out 2 e-news promotions/product updates to the travel trade	Not being done	2 product updates	4 product updates
• To make sales calls to 10 key travel trade accounts	5	10	20
• To promote all applicable market-ready packages to the travel trade	done		

Continued

Performance Measures

	2011/12 *Target/Actual	2012/13 Target based on existing budget	2012/13 Target based on expanded budget
Media Promotions **Goal:** To generate over $250,000 of media coverage in our key markets (Japan, Korea, China)			
Objectives:			
• To host 2 media FAMs (primary focus will be Japan)	2 Fams	2 FAMs	4 FAMs
• To increase local operator participation in our Media FAM program	5	7	10
• To write a minimum of 6 press releases on new activities/products	0	6	9
• To attend a minimum of 2 CTC meetings/promotions	2	4	6
Project Coordination **Goal:** To coordinate innovative marketing programs that meet the needs of our key Japanese trade accounts and our local tourism operators			
Objectives:			
• To work closely with our key trade partners and to establish cooperative marketing opportunities	To set baseline by March 31		
• To maintain a close working relationship with the CTC office in Tokyo	Done		
• To provide a regular monthly report on key market insights and activities	Done		

Continued

Marketing Opportunities

With the countless marketing opportunities that exist today there is never a shortage of projects to undertake, provided that the necessary funds are in place. As NWT Tourism continues our efforts to increase visitor revenues, it is imperative that we expand our marketing initiatives to keep pace with our competitors. The following initiatives are specific activities that NWT Tourism could utilize to grow tourism within each of our main sectors. These initiatives are broken down by sector and prioritized in order of importance to the industry. Provided additional funding becomes available, NWT Tourism is prepared to implement any of these projects.

ACTIVITIES TO BE UNDERTAKEN

Integrated Marketing – all sectors

Part 1 – Digital Media

Integration is the word in today's marketing world, and NWT Tourism must have a substantial digital presence if it wants to build awareness and sales.

Digital media includes everything from conventional websites and banner, big box advertising, to podcasts, YouTube Channel videos, Facebook pages, special smart phone apps, twitter accounts, QR (Quick Response) codes, etc. And the list grows daily as new social media approaches and applications are launched on a regular basis.

Major marketers are now testing 3-minute advertisements on YouTube, and if they work, they are then editing them for 15, 30 or 60 second television ads. An emotional viewing of a double rainbow in New Mexico drew over six million visitors in a few weeks. And a simple job offer web contest in Australia resulted in worldwide publicity both for the contest and Australia.

The Northwest Territories must be online, but it also must present material that will be interesting, that will go viral, and that will peak interest in the NWT as a travel destination. This will require more than putting our favourite video clip on YouTube. It will require a well thought-out and conceived digital strategy. And it will require creative tactics that can potentially reach millions.

Proposed budget is $800,000 over three years

Continued

Marketing Opportunities

ACTIVITY 1 – DIGITAL – SOCIAL MEDIA CAMPAIGNS

NWT Tourism must increase its presence on the Internet. Our competitors are there, our targeted audiences are there, and NWT Tourism currently has a minimal presence on the internet. To increase the presence beyond the usual ads and YouTube clips, we are suggesting use of a series of short videos that are seeded to a range of sites and blogs world wide. This seeding is handled by companies that specialize in this type of placement, and can guarantee 100,000 unique, qualified visits to your website in just a few weeks.

The company we are working with placed a small video for Nissan which generated over 400,000 visits in the first two weeks, and became so popular that it was later made into a TV commercial.

Digital advertising would also include building a much larger following on the three NWT Tourism Twitter accounts – spectacularnwt, nwtfishing, nwt business and nwtaurora, expanding the use of QR codes, and setting up a number of mini mobiles sites for contests, special promotions, new product launches. A major component of digital marketing is the constant updating and refreshing of material, so people will regularly return to the website.

Years 1, 2, 3 – ongoing updates to existing Twitter, Facebook and YouTube accounts, and entry into many other social media programs including blogs, LinkedIn, new sites. The idea is to build communities of people interested in the Northwest Territories and its tourism and related products.

Proposed budget for the social media campaign is $150,000 per year over three years, for a total of $450,000

Continued

Marketing Opportunities

ACTIVITY 2 - DIGITAL - MAJOR WEBSITE UPDATES

Only a few years ago, a website was expected to have a life span of at least two years. With changing technology and changing ways that people use the web, a website should be changed, refreshed, updated as frequently as possible. Today travel websites are no longer made up of layers of information that go deep into the site. Rather, they are much shallower and are changed regularly. The more successful sites offer different and interesting packages or experiences each time you go back and are geared more to getting the person to make a travelling decision, rather than just ordering a travel guide.

The NWT Tourism website, which is now over two years old, used an approach and technology that are now out of date. The new site needs to be built around a new concept, using new technology. It needs to engage visitors and be marketing based rather than information based.

Funds will be used for developing a new, attention getting, marketing site and for ongoing updating, changes, redesigns, optimizing for mobile units, etc. For reference, Yukon Tourism spent over $700,000 when they developed a new site in 2008

Year 1 *Develop a new, flatter architecture for the website, a new look and new content. Rebuild the site using the existing database, but adjust presentation from the database. Set up parts of the site for mobile use. Add more video to the site, accessible from the NWT Tourism YouTube Channel. Monitor and provide more useful tracking reports.*
Year 1 budget: $400,000

Year 2 *Based on usage, changes to technology, new market intelligence, rebuild/update the website*
Year 2 budget: $200,000

Year 3 *Same as year 2*
Year 3 budget: $200,000

Continued

Marketing Opportunities

Part 2 Experiential/Guerilla Advertising

To develop awareness in select marketplaces, NWT Tourism has to initiate promotional activities that will attract media attention and highlight key messages about our tourism products. These promotional or experiential campaigns could be as simple as dressing people in parkas and having them ride the Toronto subway on a summer day handing out tourism brochures, to projecting northern lights on the sides of downtown Vancouver office towers. The aim would always be to get the attention of the media and of the general public.

ACTIVITY 3 - IN MARKET AWARENESS

This program would develop NWT awareness in the three to four targeted Canadian markets. Working with promotional companies in the target markets, we would initiate a series of inexpensive promotions designed to alert people to NWT products and gain media publicity. The plan for these "happenings" would identify optimum times and locations and the event would tie in with an NWT tourism product.

Year 1 *test different type of experiential/guerrilla promotional activities in various markets, and see which ones attract the most media coverage and related response (measured in calls, web visits, mobiles site visits, etc.)*

Year 2 *based on results from year 1, continue successful types of programs, or try new approaches if needed.*

Year 3 *same as year 2*

Projected budget: $100,000 per year for three years for a total of $300,000

Continued

Marketing Opportunities

Part 3 – Brand Development

ACTIVITY 4 - REPOSITIONING THE NWT FISHING BRAND

The Northwest Territories has superb sport fishing for at least six species, in trophy sizes. We also have over 50 fishing lodges and outfitters, most operating at well under 50% capacity. In the past five years the sport fishing market in the Northwest Territories has been very flat. Sport fishing visitors have ranged from a high of 7,726 in 2006-07 to a low of 6,403 in 2009-10. Similarly, spending for sport fishing ranged from $18 million in 2006-07 to $12.6 million in 2009-10.

High costs, competition from comparable or better fishing lodges/experiences in northern sections of other provinces, reduced marketing dollars for fishing, and an aging and somewhat disenchanted fishing industry ownership, has left the NWT fishing industry marking time at best….if not slipping a little behind the competition.

Undoubtedly, we continue to have some of the best fishing in the world, and with a repositioning of the NWT fishing product we need to emphasize that our fishing product certainly provides great value for the higher cost, and that fishing in the Northwest Territories is more than a sport, but a total emotional and sensual experience. We need to raise NWT fishing above the level of mere sport fishing, and make sure the delivery of our product always reflects this elite positioning.

This project will start with some basic research to refine market demographics and psychographics and will build on the new fishing market thinking, which might be built around fly fishing, catch and release fishing, fishing/touring, complete fishing – catching, eating, learning cultural significance to First Nations, etc.

Continued

Marketing Opportunities

Year 1 *Based on new research of the sport fishing market in the NWT, Canada and North America, develop a new brand positioning for NWT sport fishing. For example: is the positioning to catch big fish? to catch lots of fish? to combine fishing with a wilderness experience? How do we differentiate our product from similar products in other northern locales? How do we match our product to existing and emerging markets for the product? All work will be done in conjunction with the fishing operators and at the end of year one, NWT will launch the new NWT fishing brand positioning.*

Year 2 *Launch campaign based on new positioning*

Year 3 *Continue campaign*

Projected cost for the program would be $600,000, with $100,000 for research and development in year 1 and $250,000 in each of years 2 and 3 for implementation.

ACTIVITY 5 - WORLD CHAMPIONSHIP SHORE LUNCH COMPETITION

To kick-start the NWT sport fishing industry, we need a world-class event that will generate awareness for NWT fish around the world. To do this we suggest the development and launch of a major event that will expand awareness of our fishing market, will attract visitors to the NWT just for the event and will put NWT fishing on the world map.

Since shore lunches are an integral part of any fishing package (whether you are on the Pacific coast, Great Slave Lake or in New Zealand) we suggest starting a competition to determine what makes the best shore lunch and who can prepare the best shore lunch.

Continued

Marketing Opportunities

This event would be structured to attract NWT, national and international competitors and especially international media coverage, and would likely run over a two to three day period. The main objective of the event would be to generate interest in our fishing, while the secondary objective would be to establish a new and prestigious award which could be used by the winning fishing lodge(s) in their subsequent advertising.

This event would require funding assistance and support via NWT Tourism in its formative years, but once it takes off, should be able to attract "name" sponsors and become a self sustaining event, which could operate under an independent association or organization.

Some organizational ideas and rough estimates for this event are included in the costing information at the end of this proposal.

Year 1 *Complete all planning including marketing plan for the first annual World Shore Lunch Championship. The plan will include everything from establishing the locale, rules, judges, sponsors, etc. to launching a promotional campaign to generate interest in the event.*

Year 2 *Stage the first competition. Evaluate and rework plans for improvements. Start marketing for second annual event.*

Year 3 *Stage second competition. Evaluate and rework plans, and start marketing for third annual event.*

Projected cost would be $400,000. The main cost would be in year 1 ($250,000) with costs declining as the event grows and can attract sponsors. Year 2 projected costs would be $100,000 and year 3 would be $50,000. After that the event should be self-sustaining.

Continued

Marketing Opportunities

ACTIVITY 6 - EXPANDING THE NWT AURORA BRAND

The NWT Aurora product was developed for the Japanese market, is marketed mainly to the Japanese market and continues to attract visitors from Japan.

While we continue to work to grow the Japanese market and are sampling other Asian markets, we also want to grow new markets for the Aurora product, starting with targeted markets within Canada and moving into other North American markets.

As part of this expansion the Northwest Territories firstly wants to own the Aurora brand. That means that when people think of the Aurora they automatically think Northwest Territories, Canada - not Finland or Norway or Alaska. This is starting to happen as we continue to advertise in print and digitally, but non-Japanese Aurora visitors currently account for only 10 to 15 percent of the entire NWT Aurora market. The goal is to both increase the total number of visitors and the percentage of North American visitors. This will be done with an expansion of print and digital advertising, but more specifically with a small campaign launched in planetariums, science centres and other educational venues and institutes across North America.

The second stage of this campaign will continue the direct-to-consumer approach, but using this new awareness, will expand to include the use of tour wholesalers operating in the US (Jonview, ITB, etc.) similar to the approach used in Japan. To build volume for this product, the major effort will be to build alliances between larger tour operators and local operators, and to assist these operators with marketing Aurora packages.

Year 1	*Finalize strategic plan and launch in Canadian market.*
Year 2	*Expand into the US market and market the product via major wholesalers in Canada and the US*
Year 3	*Continue to market direct to consumers and also continue to support wholesalers with efforts to promote the Aurora product.*

Projected budget over three years: $600,000

Continued

Marketing Opportunities

Part 4 – Support Needs Photography/Video

ACTIVITY 7 - PHOTO/VIDEO SHOOTS

Over the past five years, NWT Tourism has acquired a photo library of over 10,000 still images and close to 50 hours of high definition video. Much of this was acquired from other shoots (CTC, National Marketing campaign, FAM tours, rights purchases from photographers and videographers). Although these images have been very useful, they have not filled a lot of our current needs, and have often resulted in development of campaigns to match existing images, rather than shooting original images to match campaigns.

To meet the needs of upcoming campaigns, and to fill the many gaps in the NWT photo/video library, we require at least one major photo/video shoot, and preferably annual shoots. The last major "campaign" photo shoot done in the Northwest Territories was by Dan Heringa almost 25 years ago.

Year 1 *Determine all requirements and scheduling and set up photo shoots for one or more experienced travel photographers/videographers. Only some locations will be covered in year 1.*

Year 2 *Expand photo shoot to cover more locations.*

Year 3 *Determine gaps, and schedule a shoot to fill in as many gaps as possible.*

Projected budget over three years: $200,000

Continued

Marketing Opportunities

ACTIVITY 8 - PHOTO/VIDEO CATALOGUING

Cataloguing photographs and visuals is a slow and expensive job. To date, less than 25% of the total library has been catalogued. A photo/video database has been developed for NWT Tourism, but the actual cataloguing has to be completed by someone with extensive knowledge of the Northwest Territories, since each location/ product has to be identified. As well the cataloguing has to identify the photographer, indicate the type of rights purchased or acquired for use of the photo, any rights expiry dates, cross referencing of photo categories and finally the actual uploading of the photo or video. Once this task is completed, it will be much easier for the NWT Tourism staff to fill photo requests, and it will be much easier for the agency to select photos and video for use in numerous applications.

Year 1 *Catalogue the backlog of video and stills that are currently stored with our agency. As required purchase more storage units. NWT Tourism currently has about 10 terabytes of storage.*

Year 2 *Catalogue materials from current shoots.*

Year 3 *Catalogue materials from current shoots.*

Projected 3 year budget would be $100,000

Continued

Marketing Opportunities

Part 5 – Mass Media

The best and quickest way to develop awareness for the Northwest Territories as a travel destination is through the use of mass media – television, radio and print. Although digital is a new and growing part of the marketing mix, the traditional mass media channels continue to deliver results and drive people to digital platforms for more information.

Since the inception of NWT Tourism marketing in 1970, this territory has not used television advertising, and has only dabbled in major print programs. Following the lead of Newfoundland and Labrador who recently launched an extremely effective mass marketing campaign, we suggest that the NWT test television advertising in three or four key Canadian markets that currently supply the majority of our visitors. As well, we suggest a major print campaign in our identified, high potential markets.

ACTIVITY 9 - TELEVISION ADVERTISING IN THREE KEY MARKETS

Television continues to be the most effective mass-market medium. A recent survey by Angus Reid Strategies shows that 65% of Canadians 18 to 49 say TV advertising is the most "influential" media source compared to radio, magazine, Internet and out-of-home.

TV advertising can generate general awareness by reaching a wide but targeted audience, and can also provide stunning visuals, which are needed to sell a destination that is relatively unknown, even by Canadians.

The plan is to develop the creative concept for television ads in year 1, to complete the entire on site shooting of the ads in year 2 and to produce and place the ads in year 3. Placement would be only in Alberta (Calgary and Edmonton which would reach most of Alberta); Vancouver (reaching the lower mainland and parts of Vancouver Island) and Toronto (reaching southern Ontario). By limiting the markets, we can buy more penetration in those markets. Ads would include trackable calls to action so we can monitor the results from each market and evaluate conversions from these markets.

Continued

Marketing Opportunities

Year 1 *Develop concepts and approaches for a series of up to three different television ads*
$200,000

Year 2 *Complete shooting of footage for the ads and edit ads to final*
$600,000

Year 3 *Finalize media buy and place ads in targeted markets*
$1,200,000

Total Budget **$2,000,000**

ACTIVITY 10 - PRINT ADVERTISING – GLOBE AND MAIL

NWT Tourism has negotiated some very favourable placement rates with the Globe and Mail, and would like to continue using this national newspaper for a new campaign to be launched in 2011-12. The newspaper medium has been selected because previous research indicates that our target audiences are "news junkies" and regularly read newspapers and watch the news on television.

The plan for the upcoming campaign would be to include a special travel package within each ad. For example an Aurora ad could include an all inclusive Aurora package priced from Toronto or Calgary or Vancouver. Operators will be able to participate in this package program via co-op buy-ins, and these buy-ins will direct interested parties to mobile sites, Twitter accounts and to the NWT Tourism website.

Assuming we can continue to get the deeply discounted rate we have secured in previous years, we would purchase 12 to 15 ads in consecutive Saturday editions of the newspaper (circulation 400,000). As much as possible, these ads would be on the back cover of the travel section. We anticipate that these ads will generate up to 10,000 visits to topic-specific mobile sites, over 2,000 Twitter followers, thousands of You Tube visits, and an increased number of visits to the main NWT Tourism website and jump offs to operator sites.

Continued

Marketing Opportunities

Years 1, 2 and 3 - develop campaign and place ads. We suggest that the campaign, if successful in year 1, run in the same newspaper for three consecutive years.

Proposed budget is $300,000 per year for three years, for a total of $900,000

Project Partners

This expanded marketing initiative would be a partnership of NWT Tourism and all members of the tourism industry in the Northwest Territories. Members will contribute to the partnership via cash buy-ins to various programs and via in-kind contributions in time, use of facilities or services. Industry members could contribute up to $500,000 over three years, or 10% of the total budget for this expanded marketing campaign. Additional specific partners could be Northern Frontier Visitor Association, the GNWT, municipalities, other organizations.

Interest in the Economy of the NWT

Tourism contributes between $100 and $140 million to the NWT economy each year. This is a small portion of the NWT GDP, but a large amount for the many small businesses that earn their livelihood from the travel market.

Tourism is the largest sector of the renewable resource industry in the Northwest Territories, and has the potential to double in size over the next 10 years with the proper product development and marketing push.

Tourism is a sustainable industry that has proven that it will still be here long after mines close, and oil drills have gone quiet. And it is an industry that adds to the northern quality of life for long time residents and for new residents drawn here by ongoing discoveries of mineral or petroleum wealth.

Continued

Marketing Opportunities

Specific Objectives

1. Increase awareness of the Northwest Territories as a travel destination, by at least getting it on travellers "must visit sometime" list
2. Increase the number of visitors to the NWT by 30% over the next five years (20,000 plus additional visitors) and increase spending by at least 30% ($40 million additional revenue)
3. Revive the sport fishing industry and help it regain the profitability it enjoyed in the 1970s and 1980s
4. Expand the Aurora market so we are hosting double the current number of visitors by 2015 (approaching 20,000 visitors)
5. Indirectly stimulate the private sector to update current product offerings and consider development of new, much needed products

Why Funding is Required

Funding for marketing NWT Tourism has increased very little in the past 10 years. Statistics prove that additional funds spent on marketing translates into additional visitors and income. The tourism industry in the Northwest Territories is struggling and does not have the funds to do the marketing required. Unless the industry is rejuvenated soon, particularly the sport fishing sector, we will not be able to achieve industry growth and will have to be content with the status quo or ongoing declines in the industry. As other sectors such as the diamond mining decline in the next decade, the tourism sector should be positioned to pick up part of the lost revenue.

Benefit Impacts of the Campaign for NWT Tourism Industry, or Northern Residents in General

This expanded marketing program could assist in generating another 20,000 visitors to the Northwest Territories during the three-year life of the campaign, and more as the impacts of the campaign carry into the future.

Continued

Marketing Opportunities

For the NWT Tourism industry this will mean an additional $40 million dollars in income, will increase guest capacity with hotels, operators and lodges, will set the stage for a rejuvenated fishing industry, will expand the Aurora viewing industry, and will rejuvenate a very flat NWT Tourism industry.

For northern residents, this program will not only bring more visitors, but it could also be a catalyst to develop more events and attractions for use by visitors and residents alike, promote our northern artists and craftspeople, expand sales in our commercial fishing industry and even assist in encouraging people to move to the Northwest Territories.

Tourism is an export product, so an increase in tourism will bring new dollars into the NWT economy. And new dollars will circulate throughout the economy in the trades, retail and service sectors.

Who will be implementing and reporting results

The implementing agency for this expanded campaign will be Northwest Territories Tourism. Ron Ostrom, NWT Tourism's marketing director will oversee the program under the direction of the association's board of directors and the executive director of the association. NWTT and its marketing agency will work on the strategic direction and implementation of the campaign.

Knowledge and experience to manage this activity

Ron Ostrom has overseen the implementation of a number of projects funded under the previous SINED programs. He has also handled all financial and effectiveness reporting. Ron will work with the NWT Tourism marketing agency on the campaign planning, strategy development and creative direction for the campaign. Ron and the NWT Tourism marketing agency have successfully completed a number of smaller INAC funded campaigns.

Continued

Marketing Opportunities

EXPANDED MARKETING CAMPAIGN
SUMMARY OF ACTIVITIES AND BUDGETS

		Year 1	Year 2	Year 3	TOTAL	Audience Reach	Enquiries (estimates)	Projected Visitation	Projected Spending
CATEGORY 1 Digital Media	Social Media Campaigns	$150,000	$150,000	$150,000	**$450,000**	2,000,000	10000	1000	$1,315,000
	Website updates, mobile sites	$400,000	$200,000	$200,000	**$800,000**	1,500,000	15000	1500	$1,972,500
CATEGORY 2 Promotion	Experiential/guerilla	$100,000	$100,000	$100,000	**$300,000**	2,000,000	10000	1000	$1,315,000
CATEGORY 3 Brand Development	Reposition the NWT Fishing Brand	$100,000	$250,000	$250,000	**$600,000**	5,000,000	15,000	3000	$6,000,000
	Annual World Championship Shore Lunch Competiton	$250,000	$100,000	$50,000	**$400,000**	1,000,000	10000	3000	$6,000,000
	Expanding the Aurora Brand	$200,000	$200,000	$200,000	**$600,000**	5,000,000	15,000	4000	$5,260,000
CATEGORY 4 Photography/Video	Photo/video shoots	$50,000	$100,000	$50,000	**$200,000**	0	0	0	$0
	Photo/video cataloguing	$50,000	$30,000	$20,000	**$100,000**	0	0	0	$0
CATEGORY 5 Mass Media	Television Advertising Campaign	$50,000	$200,000	$1,000,000	**$1,250,000**	10,000,000	20,000	3,500	$4,725,000
	Print Advertising Campaing	$300,000	$300,000	$300,000	**$900,000**	7,000,000	25,000	3000	$3,945,000
	Total per year/campaign	**$1,650,000**	**$1,630,000**	**$2,320,000**	**$5,600,000**	**33,500,000**	**120,000**	**20,000**	**$30,532,500**

NOTES
Visitation is based on an estimate that 10% plus of people making enquiries to NWTT or operators will actually visit.
Income is based on the average income per visitor in 2007-08.
For fishing, the average income for this sector was used.

Appendix A

GEOGRAPHIC MARKET PROFILES

Geographic Markets

The following are brief outlines of the NWT's primary, emerging and long term markets. These outlines include the research data used to select these markets. All research was obtained from studies and reports prepared by the Canadian Tourism Commission.

North America

CANADA

Population: 34.6 million
GDP: 1.6 trillion USD – Ranked 9th largest economy in the world
Primary Market

Product Match

Canadians are looking for tourism products that focus on nature, including beautiful scenery, National Parks and wildlife. They are also interested in cities close to nature. Popular niche products include winter activities, Aboriginal culture, water-based journeys, land-based journeys and resorts in natural settings. This makes the NWT a great product match with canoeing, rafting and kayaking adventures, dogsledding and Aurora viewing, and the proximity of nature to the city of Yellowknife, among other things.

An increasing number of travellers are seeking authenticity, personal journeys and life stories. Active outdoor activities and sampling local culture/lifestyles are also gaining popularity among Canadians.

Demographic Match

30% of Canadian travellers are aged 55 plus. Those who find specifically Northern Canada appealing tend to be older, with over 60% of travellers aged 45 plus. Visitors to the North are more likely to be affluent men, which is thought to be a reflection on the outdoor adventure tourism product available.

Continued

Geographic Markets

Travel Trends and the Economy

Domestic travel makes up for about 80% of the tourism revenues in Canada. Due to the recent recession Canadians are looking to travel closer to home. The economy is rebounding after the recession and Canadians are looking to travel more. With the recent exposure from Canada's Northern House at the 2010 Olympics in Vancouver, there is an increased interest in the North.

Costs and Accessibility

55% of Canadians surveyed felt that other destinations provide better value for their money than Canada does. This may be due to the expectation that domestic travel should be less expensive than travel to another country.

The top two travel barriers Canadians cited were that there were other places they wanted to see more and that it was too expensive. Airfare and package prices continue to be seen as more expensive than in other countries. Flights are available from many points of origin in Canada with routing through Edmonton and Calgary to Yellowknife. Flight costs start from $520 return from Edmonton to $1300 return with East Coast departures.

Another growing deterrent for Canadians is domestic travel's dull image, with no real reason to go, the perception that Canadian travel is not exotic enough, and a reticence to travel where they live.

Perceptions, Product Interests

Canadians characterize their own country as warm, youthful, and intriguing. They are interested in the outdoor adventure tourism products. Self-touring by car is considered to be an ideal way to travel.

Continued

Geographic Markets

UNITED STATES

Population: 312.3 million
GDP: 14.8 trillion USD – Ranked largest economy in the world
Visits to the NWT: 1,400 camping permits in 2009, 1,900 travellers surveyed at the airport. US leisure travel represents Canada's largest inbound travel market, accounting for 63% of all inbound travellers in 2010.
Primary Market

Product Match

The primary motivation for Americans to travel to Canada is to see beautiful scenery, followed by sampling local flavours, seeing historical and cultural attractions and experiencing a country's unique character and local lifestyle. These motivations directly tie into the Northwest Territories' Northern Realities such as the midnight sun, bush planes, ice roads and -40 degree Celsius temperatures. In 2010, Americans increased their visitation to nature parks by 7.2%, which fits with NWT features such as Wood Buffalo and Nahanni National Park Reserves.

Demographic Match

Americans are interested in the hunting and fishing products available in the NWT. They have a familiarity with Canada and perceive our outdoor products such as these to be of high quality.

Visitation Statistics

The US had a slower than expected economic recovery, but the last two quarters in 2010 showed increases in leisure travel. Overall, 2010 saw an 8.6% increase in the number of overnight US leisure travellers who were 55 years of age or older. This age demographic represents the largest segment among US leisure visitors to Canada, accounting for 46.7% of all overnight US leisure visitors to Canada in 2010. 10 million leisure travellers (up 0.9%) from the US spent $4.84 billion (up 3.1%) in 2010.

Continued

Geographic Markets

Travel Trends and the Economy

Many factors including the strengthening of the Canadian dollar versus the American dollar have proved to be barriers for visiting Canada. Other barriers include Americans have other places that they want to see more, they feel they have no reason to travel here, and it's too expensive to travel to Canada.

The number of leisure travellers has increased since 2009 and this number is expected to continue to increase over the coming years. Yet there are still potential risks: the US economy still lacks momentum after the recent recession, unemployment remains high, fuel costs are rising and credit is tight.

Costs and Accessibility

Flights from major cities in the US to Yellowknife cost approximately $1,200 return. While there are many flight options to reach Yellowknife, available flight itineraries often require overnight stays en route. This can prove to be a deterrent for some travellers including fishermen from the Colorado area.

In 2010 there were gains seen across the board in price perceptions, despite a fluctuating economic environment and a weaker US dollar.

Perceptions, Product Interests

Americans perceive Canada to be warm, intriguing, and informal. Americans continue to perceive Canada as a beautiful country and an ideal setting to relax or get away from it all. It is seen as an outdoor lover's paradise with wilderness adventures for travellers who are bold enough to explore it.

US travellers have a strong interest in experiencing nature and culture, while maintaining an affinity for city life. US travellers are generally less drawn to winter activities; ski/snowboard vacations and other winter pursuits interest only 20% of travellers.

Continued

Geographic Markets

Central America

MEXICO

Population: 112.3 million
GDP: 1.04 trillion USD – Ranked 14th largest economy in the world
Visits to the NWT: 25 responded to annual survey at the airport
Secondary Market

Product Match

Mexicans are looking for multicultural and multidimensional travel experiences while on vacation and enjoy activities such as visiting icons/landmarks, cultural festivals, dining, golf, skiing and well-being. Some Canadian icons include Niagara Falls and the Canadian Rockies. The Aurora falls into the icon category and has attracted Mexican visitors to view the Aurora in the Yukon.

The top nine experiences for Mexican travellers relate to either nature or culture or are a hybrid of both, with these activities appealing to over 80% of respondents.

In 2010, travel-related TV shows surpassed word of mouth as the most effective means of influencing travel to Canada. Travel TV shows rose to 29%, while word of mouth declined by nine points to 26%.

Demographic Match

Primary, long haul, Mexican travellers are mainly couples between the ages of 30 and 40, who have no children and are therefore free to travel at any time of the year. They live in big cities (Mexico City, Guadalajara and Monterrey) and enjoy medium to high household incomes. They are often successful professionals in multinational companies in middle and senior positions. They are more likely to travel with friends and the ease of access to the destination is important.

Continued

Geographic Markets

The target visitor continues to be sophisticated and educated. Mexican travellers still prefer fully independent travel (FIT) over group travel, with 79% reporting an interest in individual touring by car or train and just 60% reporting an interest in group travel.

Visitation Statistics

Mexico had 1.5 million long haul, outbound travellers in 2010. Canada experienced a decline in this visitation of over 28%, with the world wide long haul decline at only 3.3%. Canada's disproportionate decline is due in part to strict visa requirements introduced in 2009. The United States is the main travel destination for Mexicans, but this is considered a short haul destination. The major long haul destination was Europe, followed by South America. 42% of those surveyed have indicated that they are likely to visit Northern Canada.

Despite an overall decline in Mexican visitation in 2010, the last quarter showed increases in arrivals for all three months. Canada remains one of the top three travel markets of Mexico (the other two are the US and France). In 2011, Canada expects approximately 126,800 Mexican arrivals. These visitors are also our greatest advocates, with 95% of past travellers recommending Canada as a place to vacation.

Travel Trends and the Economy

Consumer spending is decreasing due to the recession and recent unemployment levels. The number one travel destination for Mexicans continues to be the United States. However, the peso is expected to strengthen against the Canadian dollar, after having depreciated for many years. The strength of the peso may begin to drive visitation to Canada again, but the visa requirements (see explanation below) will continue to affect travel. Business travel by Mexicans to Canada accounts for nearly 50,000 trips and has increased significantly in recent years. Mexican business travellers spent $71.7 million in 2008.

Continued

Geographic Markets

Mexico experienced unforeseeable shocks in the past three years, firstly with the widespread outbreak of H1N1 flu in spring 2008 and secondly with Canada's imposition of visas on Mexican travellers in July 2009. With improvement in performance recently, Mexico is now a transition market on the rebound. This strong upturn is primarily due to the reduction in travel barriers as air capacity improves and Mexican travellers adjust to the new visa requirement as evidenced by only 17% of travellers now citing visas as a major impediment to travel. Mexicans are high-yield travellers, with an average per trip spending of $1,363, a 13% increase over 2009.

Costs and Accessibility

In June 2009 the Canadian government started to require a visa as well as a passport to travel to Canada. Flights are available from Mexico City to Toronto with connections to Edmonton and Yellowknife. A round trip air ticket from Mexico City to Yellowknife is listed on the Internet at $1,400. Mexican airlines typically connect in Los Angeles and Calgary or Edmonton which sets the travel time at approximately 13-14 hours.

Perceptions, Product Interests

Canada is seen as friendly, safe, with a clean environment and excellent winter and ski/board products. Mexicans see Canada as a "dream destination". According to recent CTC research over 53% of Mexicans surveyed indicated that they are very likely to visit Canada within the next two years.

In 2010, Mexican long haul travellers continued to show a strong overall interest in nature and culture related experiences. Canada reported a commanding lead in winter/ski activities and in seeing beautiful scenery. This is notable because Mexican travellers are avid skiers and seeing beautiful scenery is ranked as the second most popular tourism activity, appealing to 93% of respondents.

Continued

Geographic Markets

Asia Pacific

JAPAN

Population: 127.6 million
GDP: 5.46 trillion USD – ranked 2nd largest economy in the world
Visits to the NWT: 5,460 responded to a survey at the airport
(reporting period 12 months)
Primary Market

Product Match

Japanese travellers are interested in seeing beautiful scenery, visiting National Parks and exploring nature in close proximity to cities as well as shopping and sightseeing. The Aurora Borealis and related tourism products continue to be a strong draw for Japanese tourists.

Demographic Match

Japan and Germany are the oldest markets, with over a third of travellers who are over the age of 54. However, the trend in 2010 was that increasingly more young travellers are visiting Canada- 42% under the age of 35. Female travellers continue to outnumber Japanese male visitors. The majority of travellers to the North have university or college education and very few have children living in their household.

Visitation Statistics

Visitation in 2010 increased by 19.5% with 215,400 overnight trips to Canada. Leisure travellers make up 85.9% of all visitors to Canada. 4 million or 21% of people surveyed indicated that they would be very likely to visit Canada in the next two years. Alberta and BC showed the largest gains in the leisure market in 2010 with 68.4% and 26.2% respectively.

Continued

Geographic Markets

Travel Trends and the Economy

The Japanese are currently experiencing the highest unemployment rate in over a decade, and while costs have increased for food and fuel, the wages have remained steady. As a result, many travellers do not have disposable income to spend on travel. For those who are travelling, Japanese visitors are currently turning their attention back to Aurora product in the NWT after competitive destinations were unable to meet expectations for the same levels of service and quality of product.

Costs and Accessibility

Flights from Tokyo start at $1,200 return with a stop in Vancouver en route to Yellowknife. The seasonal direct flights from Vancouver to Yellowknife greatly decrease the travel time between Japan and Yellowknife. Outside of the winter season, travellers fly to Vancouver before connecting via Calgary or Edmonton. For the 2012 primary Aurora season, Air Canada has indicated that they will not offer this direct route from Vancouver to Yellowknife and NWT Aurora operators are working with airlines to re-establish this route.

Perceptions

The key competitive destinations for Japanese travellers are the United States, France, Germany, Italy and Australia. The Japanese describe Canada as open, warm, and authentic.

Continued

Geographic Markets

SOUTH KOREA

Population: 48,747,000
GDP: 1.423 trillion USD – ranked 15th largest economy in the world
Visits to the NWT: 23 answered airport survey
Secondary Market

Product Match

South Koreans like Canada for its beautiful rivers and waterfalls, majestic mountains, opportunities to trek in nature, and to visit friends and relatives. They are interested in our Aurora and winter products. Their interest in majestic mountains also fit with products such as the Mackenzie Mountains in the Sahtu area, as well as flightseeing in Nahanni National Park Reserve.

Demographic Match

Typical visitors are college educated, married or living together, 40 years or older, established in their jobs and their life. As many as half of those surveyed have family in Canada. California, New York City and San Francisco (all target markets for NWT products) started operating offices in South Korea in July of 2007.

Visitation Statistics

Koreans were originally interested in Ontario and Quebec, but are now trending towards travelling to British Columbia and Alberta. Due to the NWT's proximity to these two provinces, there has also been an increased interest in recent years. The strong South Korean economy resulted in an increase of 20% for overnight trips to Canada in 2010.

Continued

Geographic Markets

Travel Trends and the Economy

Of the 13.3 million South Korean travellers in the long haul market, as many as 4 million are very interested in visiting Canada in the next two years. The three major barriers to travel to Canada are lack of knowledge of what specifically there is to see and do in Canada, the perception that there is little product available, and not enough inexpensive air tickets available to Canada. Canada's main competitors for South Korean travellers are Australia and Europe.

Cost and Accessibility

Direct flights between Seoul and Calgary began in the summer of 2007. Direct flights from Seoul to Toronto and Vancouver are also available. A round ticket price from Seoul to Canada is listed at $1,500.

Perceptions, Product Interests

The key appeals of Canada to Koreans are:

- Canada's visual beauty – wide and vast spaces with big lakes, salmon and clean air
- Active Outdoors – they want to get outdoors and participate in activities such as dogsledding, mountain biking, hiking/trekking and skiing
- Aspirational Utopia – lifestyle, healthier way of life (eating, housing, exercise)

Continued

Geographic Markets

AUSTRALIA

Population: 22.7 million
GDP: 1.235 Trillion USD – Ranked 13th largest economy in the world
Visits to the NWT: 117 answered airport survey, 39 camping permits in 2009
Secondary Market

Product Match

More than half of Australian leisure travellers to Canada come to visit friends and relatives. With a growing population of Australians in Yellowknife (BHP Billiton is an international mining company headquartered in Australia) there is an opportunity to increase this market. A survey of Australian travellers to Canada showed the following reasons for visiting:

- To see friends and relatives - 56%
- Sightseeing, mainly nature - 37%
- To experience different cultures and ways of life - 35%
- Outdoor adventure/recreation - 31%
- To experience unspoiled nature - 27%

The list includes a strong preference for the outdoors and nature, which the Northwest Territories can provide.

Sampling local flavours, experiencing local lifestyles and seeing historical and cultural attractions appeal to more than 80% of Australians surveyed. This year, seeing beautiful scenery became the top tourism product of interest for Australians, with Canada being reported as the leading long haul destination for this experience. Visiting national parks garnered 75% interest by those surveyed, followed by exploring vibrant cities in close proximity to nature at 74%, observing wildlife at 73% and city activities at 73%.

Worth noting is that Australian visitors far prefer independent travel (66%) as opposed to guided tours (37%).

Continued

Geographic Markets

Demographic Match

The nature-inspired travellers (about 33% of market) skews toward the 50 plus market, while the outdoor sports seekers (about 17% of market) are in the 18 to 29 age range and are more interested in skiing and snowboarding followed by canoeing and kayaking. Many travellers to Canada make the equivalent of $100,000 CAD annually. The proportion of travellers with a university or college degree is growing and now encompasses 64% of Australian travellers to Canada.

Visitation Statistics

In 2008, Australians made 219,300 overnight trips to Canada. Between 2000 and 2008, overnight trips to Canada have grown by 29%. Travellers to Canada are more likely to have family in the country, which fits with the NWT's market share of travellers who are likely tied by family to Australian companies like BHP Billiton. According to CTC statistics, 4% or about 8,000 travellers visited NWT/Nunavut combined. A total of 8% or 16,000 travellers visited the Yukon in the same year. It is quite likely that business travellers made up a substantial portion of the Australian visitors to the NWT. Many Australians who visit Canada (over 70%) are including Canada as an add-on to a trip to the United States.

Travel Trends and the Economy

Almost five million Australians travelled abroad in 2006, an increase of 3.9% over the previous year. Their number one destination was New Zealand, followed by the United States and the United Kingdom. Canada is substantially down the list, at less than half the number who visit the United States. Overall, Canada has lost market share since 2004, while China and Fiji gained a substantial share of the market. However, a strong interest in Canadian vacations persists in Australia, with 69% of all long haul travellers indicating that they are definitely or very likely to visit Canada in the next two years. Despite a global recession, Australia has fared relatively well and is expected to continue to do so. Unemployment is slightly higher than in previous years.

Continued

Geographic Markets

Cost and Accessibility

Direct flights between Vancouver and Sydney were introduced in December 2007, with connecting flights to Yellowknife. A web search shows prices from $3,600 for the Sydney-Yellowknife round trip. Additional air access is available with stop overs in the United States or Hong Kong.

Perceptions, Product Interests

In a CTC listing of the top areas of interest for Australian travellers, products the NWT has include the following:

- Feeling the purity and freshness of untouched nature
- Wild animals in their environment
- Polar Bears
- Viewing Aurora

Australians perceive Canada to be warm, intriguing, and youthful. The perception of intrigue has been growing steadily over the last few years and indicates that Australians find Canada fascinating, exciting and appealing. This perception will likely continue to drive travel to Canada.

Continued

Geographic Markets

CHINA

Population: 1,340,610,000
GDP: 4.99 trillion USD – Ranked 3rd largest economy in the world
Visits to the NWT: 30 answered the airport survey
Long term market

Canada was granted Approved Destination Status (ADS) for Chinese visitors in December 2009. ADS is a large step towards establishing a market in Canada, however there are barriers such as the $12,000 (Canadian equivalent) per person deposit that a Chinese traveller must make before leaving the country. For a family of four, this deposit is nearly $50,000. While this will be a large deterrent for some travellers, it may also help to ensure that travellers have sufficient means to make trips to the NWT and be able to afford some of the NWT's higher end tourism product.

Product Match

Chinese travellers look for destinations that are clean, safe, friendly, scenic and inexpensive and where visas are fairly easy to obtain. Having friends and relatives in Canada is a major catalyst for visitation. A trip to see one or more cities is a major reason for visiting Canada (33%), while a trip to enjoy nature and the outdoors was listed by only 12% of travellers. Beaches, shopping and winter activities ranked very low.

Demographic Match

Long haul pleasure travellers from China span all ages, with the exception of seniors who represent only 3% of the market. Most are married, are highly educated and hold senior positions in government or the private sector and are more affluent than the population at large.

Continued

Geographic Markets

Traveller Statistics

In 2005 there were approximately 40 million outbound travellers. In 2003 Canada had only a 0.4% share of this market and a 3.4% share of the long haul market (outside Asia). The size of the potential market for Chinese pleasure travel outside Asia is estimated to be 2.8 million travellers from four key markets – Beijing, Shanghai, Guangzhou and Shenzhen. Europe is the largest long haul market for Chinese travellers outside of Asia, followed by Australia/New Zealand. Most Chinese visitors to Canada visit Ontario and British Columbia, with only 1% visiting Northern Canada. Chinese travellers stay at their destination 28 days on average, which provides excellent opportunities for add-on travel from other provinces to the NWT.

Travel Trends and the Economy

In 2005 there were approximately 40 million outbound travellers. In 2003 Canada had only a 0.4% share of this market and a 3.4% share of the long haul market (outside Asia). The size of the potential market for Chinese pleasure travel outside Asia is estimated to be 2.8 million travellers from four key markets – Beijing, Shanghai, Guangzhou and Shenzhen. Europe is the largest long haul market for Chinese travellers outside of Asia, followed by Australia/New Zealand. Most Chinese visitors to Canada visit Ontario and British Columbia, with only 1% visiting Northern Canada. Chinese travellers stay at their destination 28 days on average, which provides excellent opportunities for add-on travel from other provinces to the NWT.

Cost and Accessibility

An online search showed a fare of $1,900 round trip between Beijing and Yellowknife. Air access from Beijing to Vancouver is available several times a week.

Perceptions, Product Interests

Specialized travel has not been developed to any great extent in the China market. Learning/discovery and spending quality time with family/friends are prevalent travel motivators.

Continued

Geographic Markets

INDIA

Population: 1,155,347,700
GDP: 1.38 trillion USD – Ranked 11th largest economy in the world
Visits to the NWT – under 10
Long Term Market

Product Match

The visiting friends and relatives market is the primary market for Indian travellers to Canada. BC and Ontario receive the largest portion of these visitors. They are primarily interested in travel to the major cities.

Demographic Match

The majority of travellers are 45-64 years old. This travelling age group has increased 12% since 2000. Business travellers spend on average $1,589 per trip (as of 2007). Pleasure travel experienced a significant increase in the average trip duration compared to the year 2000.

Visitation Statistics

Travel to Canada increased by 16.6% in 2010. July to September is the most popular period to travel, with 36% of travel occurring at this time. Leisure travellers account for slightly more than half of all Indian travellers to Canada.

Travel Trends and the Economy

Indians took 149,900 overnight trips in 2010. The average duration for pleasure travel is 14 nights. Most will book through a retail travel agent rather than book direct. Visiting friends and relatives is the primary motivation (49.5%) for Indian travellers to Canada, followed by business reasons at 22.9%. India expects their economy to expand in the coming years.

Costs and Accessibility

A non-stop service from India to Canada is currently unavailable. Most flights connect though Heathrow-London, and usually involve lengthy connections. Passport and visa are required. Flights from Mumbai to Yellowknife cost approximately $2,000 return.

Perceptions, Product Interests

Ontario is the most popular destination, followed by British Columbia.

Continued

Geographic Markets

Europe

GERMANY

Population: 81,750,000 (2010)
GDP: 3.315 trillion USD – Ranked 4th largest economy in the world (2010)
Visits to the NWT: 1,700 German visitors according to Statistics Canada Intl. Travel Survey 2010
Primary Market

Product Match

The primary reasons for Germans to travel to Canada are National Parks, beautiful scenery and observing wildlife in their natural habitats. These interests make German tourists a good match with tourism products such as Nahanni National Park Reserve, Wood Buffalo National Park and to a lesser degree Tuktut Nogait Park (due to the increased challenge of accessibility). Road touring on the Deh Cho and Dempster routes is also popular with these groups who represent a large proportion of campground permits issued. Also, Aboriginal culture is a large draw for travellers from Germany.

For Germans, travelling belongs to the basic values of a "good life". Vacationing brings back motivation and energy. 72% of German travellers are looking for outstanding natural scenery, 68% expect a good value-for-money offer, 48% want cleanliness and a healthy climate and 41% are looking for a safe destination. For the first time, safety ranks higher in the mind of German tourists than the wish for sunshine (40%) or a good touristic infrastructure (38%).

Demographic Match

In 2010, more than 50% of German travellers were 45 years of age or older. As of 2010, the German population will show some dramatic shifts in the age categories, which will be important for travel to Canada. In particular, significant growth is expected in the 45-54 age category and the 65+ age category.

Continued

Geographic Markets

Research shows that German visitors to Canada tend to be primarily in the 25-44 age bracket, married, middle-income earners and in professional and technical occupations. About 50% of these visitors have already visited Canada in the past. The typical German customer is young, affluent and trendy, increasingly electing to assemble independent vacation packages comprised of various elements. This type of tourist tends to favour a combination of culture and nature experiences.

Visitation Statistics

In 2010, Germans made 332,086 overnight trips to Canada for leisure and business travel, an increase of more than 7% over 2009. Potential travellers who are definitely or very likely to visit Canada in the next two years represent 26% of those surveyed, which would be equivalent to 4.7 million German residents. Interest in the North is also present with 5% of those surveyed indicating that they would be interested to visit the North (940,000).

In general 50.8% of all Germans travelling to Canada come for pleasure, followed by VFR (visiting friends and relatives) with 25.2%, business travel with 18.4% and other reasons (5.7%). 49.1% of all German travellers visit Canada in the third quarter, 25.2% in the second, 14.2% in the fourth and 11.5% in the first quarter.

The most popular activities of German travellers to Canada (in order of priority):

1. Shopping
2. Sightseeing
3. Visiting a national or provincial nature park
4. Visiting an historic site
5. Visiting friends and relatives

Travel Trends and the Economy

In 2010, the German economy experienced the strongest economic growth since the German reunification. This positive development was also reflected in the decline of the unemployment rate by 0.7% in 2009 compared to 7.1% in 2010.

Continued

Geographic Markets

During the last couple of months, the Euro has suffered from a discontinuous development against the Canadian Dollar. In times of a strong Euro, Canada becomes a more attractive destination for price conscious travellers.

Germany is the world leader in terms of trips and nights spent abroad, and comes second only to the U.S. in terms of travel spending. Germany comes out on top when the aggregate outlay is calculated as a share of private consumption. Vacation and travel therefore loom four times larger in German life. When it comes to lifestyle cutbacks, the Germans would rather save on hobbies, cars and entertainment than on travel, which ranks right behind food and drink, shelter and clothing on their list of priorities. But still, German travellers are very price sensitive and will make travel bookings to take advantage of special prices. December and January remain the peak months for Germans to make main holiday decisions.

Costs and Accessibility

There is no direct flight access to Yellowknife from Germany. Stopover connections from German cities are possible via various Canadian gateways (Vancouver, Calgary, Toronto or Montréal). Flights from major cities in Germany to Yellowknife cost on average $2,000 CAD currently. Germany also has direct flights to Whitehorse, Yukon where travellers can depart on their driving adventure on the Dempster Highway or fly to Inuvik.

Perceptions

German residents perceive Canada as warm, intriguing and youthful. They feel that Canada is a place with unique features that other destinations don't offer. This is a dream destination that they would visit if money was not an issue.

The main competitive advantage of the NWT's image appears to be its outdoors. It is also seen as a culturally diverse place to visit. Products to be promoted are:

- outstanding scenery, National Parks, forests and wildlife
- exciting outdoor activities (canoeing, kayaking, hiking, etc.)
- a very safe, civilised destination with friendly local people
- large variety of cultural possibilities.

Continued

Geographic Markets

SWITZERLAND

Population: 7,900,000 (2010)
GDP: 523,772 billion USD (2010)
Visits to the NWT: 192 campground permits issued in 2009
Primary Market

Spending on foreign travel:	15.6 billion Swiss Francs / USD 15 b (out of country travel worldwide)
Number out of country trips:	14 million (71% leisure; 16% business; 13% miscellaneous)
Within Europe:	9.86 million
Average duration per trip:	6.5 days
Outside Europe:	1.32 million
Average duration per trip:	15.4 days
Daily average spending:	185 USD (on out of country travel per person)

Product Match

The primary reasons for Swiss to travel to Canada are National Parks, beautiful scenery and observing wildlife in their natural habitats. These interests make Swiss tourists a good match with tourism products such as Nahanni National Park Reserve, Wood Buffalo National Park and to a lesser degree Tuktut Nogait Park (due to the increased challenge of accessibility). Road touring on the Deh Cho and Dempster routes is also popular with these groups who represent a large proportion of campground permits issued. Also, Aboriginal culture is a large draw for travellers from Switzerland.

Demographic Match

The average age of the Swiss population is increasing. There is a growing cohort of well-to do senior citizens with plenty of time to spend on high end travel.

Visitation Statistics

In 2010, Swiss travellers made 105,425 overnight trips to Canada for leisure and business travel, an increase of 6% over 2009.

The leading overseas destinations in 2009 were:

1. United States 350,000 (>2)
2. Egypt 145,000 (>2)
3. Thailand 113,000 (<3)
4. Canada 107,000 (>1)
5. Brazil 100,000 (<>)

Continued

Geographic Markets

Travel Trends and the Economy

The Swiss economy is classified as one of the world's strongest economies. In 2010, Switzerland was ranked 19th with its GDP in a worldwide comparison, regarding the GDP per capita it is ranked 4th. The Swiss unemployment rate is under 3% and extremely low.

The Swiss Franc has gained enormous strength during the summer months of 2011 compared to the Canadian Dollar, however it has currently started to decrease a little.

Costs and Accessibility

There is no direct flight access to Yellowknife from Switzerland. Stopover connections from Swiss cities are possible via various Canadian gateways, e.g. Toronto or Montréal or via other European Airports, e.g. Frankfurt or London and then Vancouver or Calgary. Flights from major cities in Switzerland to Yellowknife cost on average $2,000 CAD currently.

Perceptions, Product Interests

The typical Swiss tourist to the U.S. likes to travel individually. They enjoy the excellent travel infrastructure which most consider a "trademark" of Canada. Groups are now mostly special interest (associations, reader travel/newspapers) or senior citizens. The average Swiss traveller is well informed about Canadian politics and life. Most enjoy an above average purchasing power as a result of high incomes and the advantageous exchange rate between CAD and EUR. Swiss attach importance to punctuality, quality of service, food and good accommodation. They are known to pay somewhat more for quality. Most speak at least basic English.

Swiss residents perceive Canada as warm, intriguing and youthful. They feel that Canada is a place with unique features that other destinations don't offer, and that this is a dream destination that they would visit if money was not an issue.

The main competitive advantage of NWT's image appears to be its outdoors. It is also seen as a culturally diverse place to visit. Products to be promoted are:

- outstanding scenery, National Parks, forests and wildlife
- exciting outdoor activities (canoeing, kayaking, hiking, etc.)
- a very safe, civilized destination with friendly local people
- large variety of cultural possibilities.

Continued

Geographic Markets

UNITED KINGDOM

Population: 61,838,154
GDP: 2.17 trillion USD – Ranked 6th largest economy in the world
Visits to the NWT: 34 answered the annual airport survey, 43 camping permits issued in 2009
Secondary Market

Product Match

The UK is Canada's largest inbound overseas market. The British identify their first motivation for travel as nature with beautiful scenery, followed by National Parks and wildlife. Culture is also a draw for tourists to Canada. A majority of these travellers prefer multiple days of self-touring over guided tours. A minority of these travellers come for water-based adventure, land-based journeys and winter and summer activities. Research shows that UK residents are more likely to enjoy scenic drives, hiking and walking activities, and viewing scenery and wildlife. This aligns with NWT products such as the Dempster Highway, the Deh Cho Travel Connection, Wood Buffalo National Park and territorial parks, among other things.

Demographic Match

There are an equal number of men and women interested in travelling to the North from the UK. 63% of these travellers to the North are older than 45, most are married, and almost half have a college or university degree. 25% of the target market are retired, and more than half of the market continues to work full time.

Visitation Statistics

Overnight visits to Canada are expected to continue to increase by another 150,000 by 2013.

Continued

Geographic Markets

Travel Trends and the Economy

In 2010, the UK experienced low employment, consumer confidence and devaluing currency. These factors all played into travel intentions. 659,400 overnight trips in 2010 showed a decrease of 3.8% year over year.

Fully 23% of UK travellers have expressed that they are very likely or will definitely visit Canada in the next two years. This accounts for more than 5 million people. 22% of those travellers have indicated they are interested in travelling to the North and 16% specifically noted the Northwest Territories.

Costs and Accessibility

A return trip flight costs approximately $2,200 from London, England to Yellowknife, but recent flight sales show fares as low as $1,400. There are lots of connections from major UK cities to Toronto and Edmonton. While there are some direct flights to Edmonton, most flights require connections in Toronto, Vancouver, and/or Edmonton before arrival in Yellowknife.

Perceptions

UK residents perceive Canada as warm, intriguing and youthful. They feel that Canada is a place with unique features that other destinations don't offer, and that this is a dream destination that they would visit if money were no object.

Continued

Geographic Markets

FRANCE

Population: 62,616,488
GDP: 2.65 trillion USD – Ranked 5th largest economy in the world
Visits to the NWT: 10 answered airport survey, 121 camping permits
Secondary Market

Product Match

There is a strong interest in Canada's North among the French. In a CTC research report, 36% of people indicated they would like to visit Canada's North when visiting our country. The NWT was the most popular of the three territories. The French are most interested in nature-based activities including rivers, waterfalls, National Parks, heritage sites and wildlife, self-guided tours, and cities in close proximity to nature.

Demographic Match

Typical visitors to Canada are 55 or older. Most are still employed full time in the workforce. A large percentage are men, possibly drawn to outdoor adventure activities. Recent visitors to Canada are more upscale and likely to have friends and relatives in Canada.

Travel Trends

The CTC research suggests that 36% of French people who take long haul vacations are very likely to visit Canada in the next two years. Price, competing destinations and poor weather are barriers to travel to Canada. In 2010, over 408,000 French travellers made trips to Canada and spent, on average, $1,276. More than 35% of French travellers are over 55 years old.

Cost and Accessibility

Direct flights between Paris to Calgary are available on a daily basis. Direct flights from Paris to Yellowknife are listed at approximately $1,600.

Perceptions, Product Interests

The key appeals of Canada to the French are outdoor adventure including fishing and water-based activities, as well as heritage and culture.

Continued

Geographic Markets

NWTT Marketing Initiatives

NWTT has had a limited presence in the French market. The majority of marketing initiatives have been taken on by Conseil de développement économique des TNO (CDETNO).

South America

BRAZIL

Population: 193,733,800
GDP: 1.59 trillion USD – Ranked 8th largest economy in the world
Visits to the NWT: not available
Long term market

Product Match

The Brazilian market is looking for a variety of experiences including action/adventure sports, arts and culture, nature, heritage activities and travel for the sake of exploration. There is a potential match for canoe/kayak/raft adventures, wildlife viewing, flightseeing, National Parks, pingos, and the Great Northern Arts Festival.

Demographic Match

31% of travellers are between the ages of 45 and 64 (largest share of all travellers), with 55% male travellers. 80% live in urban areas. The top 10% of the population make an average annual income of $72,932 USD.

Visitation Statistics

The summer months are the most popular time to travel. Brazilians prefer to travel to Canada during the summer months (36.7%). Their trips tend to be 21 days in Canada and they spend $1,808, the highest spend per trip among CTC key markets.

Continued

Geographic Markets

Travel Trends and the Economy

The Brazilian "Real" depreciated against the Canadian dollar with the global recession. This past year 71,600 overnight trips were taken, which was a 13% growth from the previous year. Business travellers spend on average $1,842 on their trips.

Costs and Accessibility

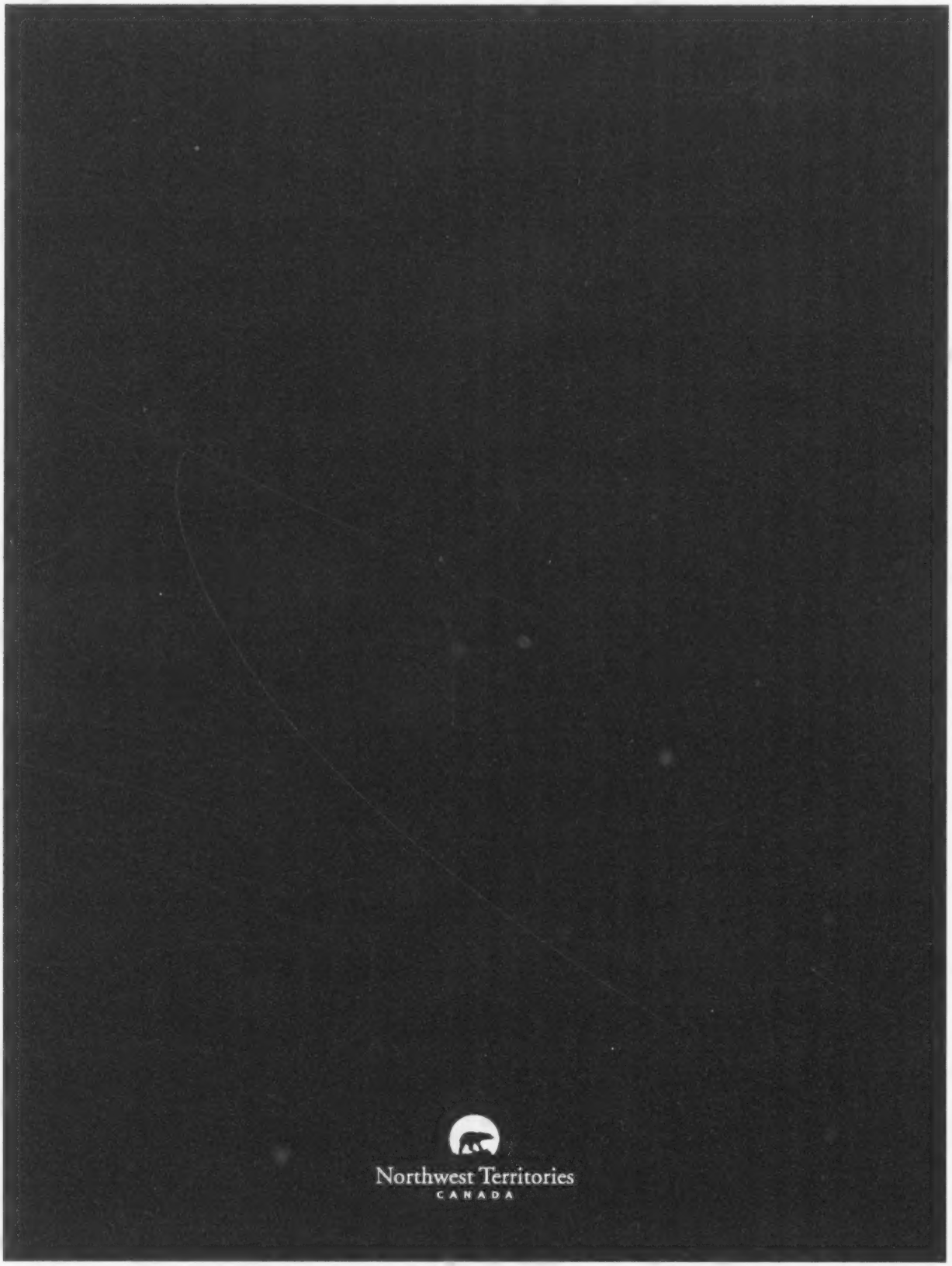
Air capacity is an issue as the number of potential travellers outnumbered the supply of air seats in 2007. Air seat capacity increased in 2008 by 3.2% to 80,378, but there is still a shortage of available seats. Direct service between Toronto and Sao Paulo is available. An online search indicated that the cost of a round trip between Sao Paulo and Yellowknife is approximately $2,500. Brazilians travelling to Canada require both a visa and a passport.

Perceptions, Product Interests

Currently Ontario is listed as a must-see destination, followed by Quebec, Alberta and BC.

Economic Situation

Brazil has the 10th largest economy in the world. The economy is well diversified and is recovering quickly from the worldwide economic crisis.


Northwest Territories
CANADA